

# Daily Update

Your daily market news, moves  
and outlook



## SEASPRAY FINANCIAL

Wealth & Investment Management

### Monday, 28th of June

## Markets Outlook

**Equities:** European equity indices have opened flat to slightly lower on Monday morning, after rebounding somewhat last week. In the States, the S&P 500 saw another day in the green on Friday, finishing the trading session close to its all-time high at \$4,280 - this came as the US PCE inflation reading came in at 0.5% m/m vs 0.6% forecasts. US markets will begin to look towards the region's monthly Non-Farm Payrolls and Unemployment Rate data due to come this Friday July 2nd. VIX is relatively subdued again today at \$16.30.

**Currencies:** FX markets are quiet this morning to kick off the week, after the Dollar shrugged off the miss in inflation expectations last Friday in the States. FX traders will undoubtedly continue to pay close attention to any comments from Fed officials this week, as well as looking forward to Friday's NFP data. EUR/USD at circa 1.193 on Monday, EUR/GBP at 0.858.

**Safe-havens:** Gold markets have remained fairly range-bound over the last week or so since the Federal Reserve-led sell-off in precious metals. Gold, which is generally priced in Dollars and is over 6% lower YTD, is currently resting between about \$1770 and \$1790, as traders await further signs from the Fed on their future monetary policy.

Looking to sovereign bonds, yields in both Europe and the US headed upwards last week as their respective bonds sold off on the back of a more hawkish than expected Fed. Markets are relatively quiet to start off this week, the benchmark US 10yr yielding 1.52% and Germany's 10yr at -0.164%.

## Key Events to Watch

30/06/2021 - Chinese Manufacturing PMI

30/06/2021 - Eurozone CPI

01/06/2021 - US ISM Manufacturing PMI

02/07/2021 - US Non-Farm Payrolls

## Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	4,280	0.33%	13.97%
DAX	15,607	0.12%	14.11%
EuroStoxx	4,120	-0.04%	16.08%
ISEQ	8,373	-0.19%	12.97%
FTSE	7,136	0.37%	10.41%
Nikkei 225	29,048	-0.06%	5.84%

FX	Value	Daily Change	YTD Change
EUR/USD	1.1933	0.03%	-2.23%
EUR/GBP	0.8597	0.35%	-3.96%
GBP/USD	1.3877	-0.32%	1.86%
USD/CHF	0.9175	0.00%	3.67%
USD/JPY	110.77	-0.08%	7.19%
EUR/JPY	132.18	-0.06%	4.81%

Fixed Income	Value	Daily Change
US 10yr	1.524	0.025
US 2yr	0.268	0.018
Bund 10yr	-0.156	0.030
Irish 10yr	0.244	0.051
Gilt 10yr	0.781	0.039
JGB 10yr	0.052	0.004

## Financial News Round Up

### The Week Ahead

In terms of data points in the days ahead, we are set for yet another relatively quiet start to the week as volatility remains low and summer trading comes into full swing. On Monday there will be no major data releases from developed nations, however markets will pay attention to a couple of central bank speakers this afternoon - from the Fed and BOE. Tomorrow morning will see the release of some Eurozone nations' monthly CPI inflation data, followed by US consumer confidence during the afternoon.

Chinese Manufacturing PMI results will come in the early hours of Wednesday morning, followed by a Eurozone CPI inflation y/y reading. On Thursday we will get Germany's 'Final Manufacturing PMI', followed by the same from the US in the afternoon.

Friday will likely be the highlight of the week for risk asset markets, at 1:30pm Irish time we will see ECB President Lagarde speaking, while at the same time the US will release its monthly Non-Farm Payrolls and unemployment data. The print is expected to show an acceleration in rehiring in the region and a step lower in unemployment.

### AIB

AIB has announced it will purchase roughly €4.2 billion worth of Ulster Bank's performing loans, both corporate and commercial. AIB has agreed to acquire the portfolio for €4.1b, about 97.6% of par value, payable in cash from the banks existing resources.

The transaction will of course be subject to the usual regulatory approvals, after which AIB said it plans to migrate the loan book on a phased basis over 12 - 18 months. The deal is expected to be accretive to earnings for the bank from 2023 on, and will likely provide net interest income of around €100m per annum.

"We continue to deliver on the strategy we announced last December to enhance and diversify our revenue streams and ensure AIB's long-term sustainability. We look forward to welcoming new colleagues from Ulster Bank and working with our new customers as they transition to AIB" said AIB CEO Colin Hunt.

### Irish Housing

According to reports from both Daft.ie and Myhome.ie, asking prices for Irish houses surged by 13% in Q2 when compared with the same period last year, with prices outside Dublin rising at a faster rate than in the capital.

The average listed price in the country is now €303,000, €412,000 in Dublin and €254,000 outside the county. Weak supply continues to scourge Ireland's housing market, as the total number of properties available to purchase at the beginning of the month stood at 12,300. While this is higher than March's 11,900, it remains to be one of the lowest figures reported since the advertising of houses for sale online first began.