

# Daily Update

Your daily market news, moves  
and outlook



## SEASPRAY FINANCIAL

Wealth & Investment Management

### Monday, 19th of July

## Markets Outlook

**Equities:** European markets are about 2% lower to begin the week. A number of holiday-destination countries on the mainland have announced some new restrictions over the past week. We are seeing more focus on the Delta variant situation and the growing threat to economic re-openings as partially vaccinated and non-vaccinated continue to spread the virus at high rates. In addition, the destruction caused by massive flooding around Germany and the Netherlands over recent days could also weigh on sentiment slightly this week. English Covid restrictions will be lifted today despite the UK seeing a 7-day case average of roughly 45,000, London's FTSE 100 equity index currently trading 2% lower to its lowest point in two months after a weekend of huge case numbers for the region.

**Currencies:** EUR/USD is this morning trading through near-4-month lows and approaching a major support level at 1.17, as investors grow more cautious with regard to the highly contagious Delta variant and some European countries taking backwards steps with their re-openings. The greenback has also benefited from some Federal Reserve hints that they will look to become more hawkish, while the ECB will steer the course for the time being. GBP/USD traded down to 1.37 on Monday as England fully reopens, the pair's lowest prices since early April.

**Safe-havens:** Gold is over half a percent lower this morning, heading quickly for the \$1,800 round figure, and after having moved as high as \$1,835 last week. The more volatile silver has breached support and is now trading outside of its range from late June/early July, as low as \$25.40. Bonds have gone bid yet again this morning, the US 10yr now yielding just 1.26%, Germany's equivalent at -0.367%.

## Key Events to Watch

22/07/2021 - ECB Rate Decision

23/07/2021 - UK Retail Sales

23/07/2021 - European PMIs

23/07/2021 - US PMIs

## Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	4,327	-0.75%	15.20%
DAX	15,540	-0.57%	11.64%
EuroStoxx	4,035	-0.51%	11.71%
ISEQ	8,050	-0.35%	7.33%
FTSE	7,008	-0.06%	6.91%
Nikkei 225	27,652	-1.25%	0.76%

FX	Value	Daily Change	YTD Change
EUR/USD	1.1805	-0.06%	-3.50%
EUR/GBP	0.8573	0.39%	-3.80%
GBP/USD	1.3772	-0.40%	0.36%
USD/CHF	0.9194	0.20%	3.97%
USD/JPY	110.08	0.20%	6.36%
EUR/JPY	129.89	0.09%	2.65%

Fixed Income	Value	Daily Change
US 10yr	1.300	-0.001
US 2yr	0.227	0.000
Bund 10yr	-0.351	-0.020
Irish 10yr	0.034	-0.018
Gilt 10yr	0.629	-0.035
JGB 10yr	0.012	-0.007

## Financial News Round Up

### The Week Ahead

Similar to last week, a dominating theme for markets over the coming days will likely be any and all developments surrounding the Delta variant and what they will mean for Europe and the UK's re-opening schedules. We will also start to see some potentially important data points come out as we approach the second half of the week, along with a range of large quarterly earnings releases ahead of us.

Looking at the main data points, today is due to be very quiet, Tuesday similarly will not see any major releases either side of the Atlantic but will get the RBA's latest meeting minutes. Wednesday will be fairly subdued in terms of data points, while on Thursday we will get the European Central Bank's latest monetary policy statement and rate decision. The ECB are not expected to make any changes, traders will however look for more clarity from the bank on their recent strategic review and their new 2% inflation target.

Friday will also be busy for data readings: the UK will kick off proceedings before market open with their monthly retail sales figure, expected at 0.0% m/m, and will be followed by Services and Manufacturing PMIs from key Eurozone nations, the UK, and then from the US in the afternoon. These PMIs are a leading indicator of economic health and take data from the current month.

For earnings: this week will be a busy one, Monday will be kicked off by IBM, followed tomorrow by Volvo, Kone Oyj, Philip Morris, UBS Group, Netflix, and United Airlines. On Wednesday we will hear from Nordea Bank, J&J, SAP, Novartis, Coca-Cola, Nasdaq Inc, ASML, Daimler, and Verizon.

Then between Thursday and Friday Abbot Laboratories, Roche, Newmont Group, American Airlines, Southwest Airlines, Intel, Twitter, Danske Bank, and American Express will all release quarterly results, along with many smaller names.

### UK House Prices

According to British property website Rightmove, the asking prices for homes in the region increased by 0.7% between mid-June and mid-July when compared with a month earlier. This is the biggest rise for that time of year since 2007, with asking prices having moved 6.7% higher over the past 6 months. Rightmove alluded to the fact that June likely saw a record level of house sales as buyers in the UK hurried to beat an end of June tax break deadline.

"This has left prospective purchasers with the lowest choice of homes for sale that we've ever recorded, continuing price rises, and stretched affordability" said Tim Bannister, director of property data at Rightmove.