



Friday, 13th of August 2021

### Markets Outlook

**Equities:** With the US hitting new all time highs overnight, Asian markets were slightly weaker with Chinese issues affecting confidence. After a very busy few weeks of results the diary looks much more quiet today. Few results are due to be released this morning, so investors will be watching for any unscheduled news or the latest from firms in the midst of takeover battles. European markets are opening. The FTSE 100 lost 26.91 points to close at 7193.23 yesterday, pulled lower as shares in some miners and energy firms fell however it has opened in the positive today. Likewise most European markets are opening higher in a quiet mid August trading day. Today's US inflation data release, which could be explosive both for current market and policy environments will be the main focus.

**Currencies:** The dollar slightly retreated in early European trading Friday, but remained near its highest level in four months as elevated inflation levels and a recovering labor market point to the Federal Reserve reining in its hefty monetary stimulus in the near future. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded around 0.1% lower at 92.977, just below Wednesday's four-month high of 93.195, and suggesting a weekly gain of 0.2

**Safe-havens:** Gold was up on Friday morning in Asia, but was set for a second consecutive weekly decline. Investors now await the U.S. Federal Reserve's next monetary policy move. Gold futures were up 0.25% to \$1,756.72 by 12:50 AM ET (4:50 AM GMT), and the yellow metal is down 0.5% so far for the week.

### Key Events to Watch

- 13/08/2021 - US Inflation expectations
- 13/08/2021 - US consumer Sentiment
- 16/08/2021 - German Buba monthly report
- 17/08/2021 - UK employment and average earnings

### Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	4,461	0.30%	18.76%
DAX	15,949	0.07%	16.17%
EuroStoxx50	4,226	0.48%	18.96%
ISEQ	8,780	0.00%	16.58%
FTSE	7,193	-0.37%	11.34%
Nikkei 225	27,977	-0.14%	1.94%

FX			
EUR/USD	1.1734	0.06%	-3.93%
EUR/GBP	0.8496	0.05%	-4.82%
GBP/USD	1.3806	0.03%	0.97%
USD/CHF	0.9235	0.04%	4.35%
USD/JPY	110.26	-0.10%	6.83%
EUR/JPY	129.36	-0.06%	2.63%

Fixed Income		
US 10yr	1.337	-0.030
US 2yr	0.223	-0.004
Bund 10yr	-0.466	-0.006
Irish 10yr	-0.087	-0.018
Gilt 10yr	-0.344	-0.007
JGB 10yr	0.022	-0.003

### Financial News Round Up

#### AIRBnB

Airbnb (ABNB) who reported in the US overnight says it saw strong bookings for the 2nd quarter, with the highest gross nights booked of any quarter in the company's history. The home-sharing company's gross bookings of \$13.4 billion beat the average Wall Street estimate.

The company reported second quarter revenue of \$1.335 billion compared with consensus estimates of \$1.27 billion. Revenue for Airbnb was up almost 300% year over year and 10% higher compared to the second quarter of 2019. The company reported a net loss per share of 11 cents, a big beat against Wall Street's estimate of a loss of 39 cents.

In its shareholder letter, the company said it anticipates the impact of COVID-19 and the Delta variant will continue to affect overall travel behavior in the near term. "As a result, year-over-year comparisons for Nights and Experiences Booked and GBV [gross booking value] will continue to be more volatile and non-linear,"

The company said they still expect bookings to be affected by Covid 19 and that bookings in Q3 will be below Q3 2019 levels. Airbnb says booking trends seen during the pandemic are here to stay, including stays outside of top destinations and long-term stays. Longer stays outside urban areas often bring in higher rates.

#### Irish house Prices

In a new report from the Central Statistics office (CSO) overnight it showed that house prices in Ireland rose at an annual rate of 6.9 per cent in June, the fastest level of growth seen in 2½ years. This was up from 5.4 per cent the previous month. The CSO figures show the State's property market continues to be stoked by pandemic-related factors, such as increased savings and lower-than-anticipated supply. Prices in Dublin rose by 6.4 per cent on an annual basis in June, the fastest level of growth seen in the capital in three years, while prices outside Dublin rose 7.4 per cent. Many had predicted property values would decline as a result of the pandemic but a number of factors – increased savings, home working and expatriates returning from London after Brexit – have led to an acceleration prices. When taken with the recent report of extremely low levels of rental property availability and the departure of many landlords in the state, the property market is in the eye of a perfect storm.

#### Philip Morris & Vectura plc

The board of UK listed inhaler maker, Vectura intends to unanimously recommend shareholders vote through a £1.1 billion takeover by cigarette maker Philip Morris. Bosses at the pharmaceuticals business, which aims to help patients with lung diseases, said the bid by the company behind Marlboro cigarettes was "fair and reasonable". A rival bid of £958 million by private equity house Carlyle alongside heavy lobbying by health campaigners has now been rejected but the company said it appreciated the firm's interest. The bidding war ended on Thursday at 5pm as a deadline passed for Philip Morris (PMI) to increase its offer of 165p a share in Vectura, after Carlyle said on Tuesday its own 155p-a-share offer was final.