

Daily Update

Your daily market news, moves
and outlook



SEASPRAY FINANCIAL

Wealth & Investment Management

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Markets Outlook

Equities: Stocks on the continent are roughly 0.40% stronger so far today, the FTSE100 comes back online after yesterday's bank holiday in the UK. Markets, in the US and elsewhere, have been supported in recent days by Jerome Powell's reaffirmation last week that the Fed will not rush its tapering of QE, and will not actively look to hike rates any time soon. VIX is lower again to below \$16 on Tuesday as futures in the States rallied through record highs earlier this morning.

Currencies: The Dollar is on the back foot on Tuesday as riskier assets advance and concerns over a Fed tapering ease somewhat, causing the Euro to rally to \$1.182 (highest level in over 3 weeks) and Sterling to \$1.377.

Safe-havens: Gold is slightly higher this morning, helped on by Dollar weakness as the metal looks to undo yesterday's losses. Gold at \$1,817, silver at \$24.20. Sovereign bonds continued with their very quiet trade yesterday to kick off the week, and look set for much of the same today: US 10yr yielding 1.28%, German 10yr Bund yielding a negative 42 basis points.

Looking ahead: This morning we will see some up to date inflation results from key Eurozone nations. This afternoon looks set to be relatively quiet on the economic data front, we will however see monthly Canadian GDP results and US Consumer Confidence. The highlight of the week will likely come in the form of the US jobs data on Friday: the Non-Farm Payrolls figure and the monthly Unemployment Rate.

Key Events to Watch

01/09/2021 - German Manufacturing PMI

01/09/2021 - US Manufacturing PMI

03/09/2021 - US Non-Farm Payrolls

03/09/2021 - US Services PMI

Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	4,528	0.43%	20.57%
DAX	15,887	0.22%	16.26%
EuroStoxx	4,198	0.19%	18.47%
ISEQ	8,855	0.16%	20.22%
FTSE	7,145	(Closed)	10.68%
Nikkei 225	28,089	1.08%	2.35%

FX	Value	Daily Change	YTD Change
EUR/USD	1.1795	-0.03%	-3.15%
EUR/GBP	0.8571	-0.02%	-3.95%
GBP/USD	1.3758	-0.04%	0.87%
USD/CHF	0.9168	0.59%	3.46%
USD/JPY	109.92	0.05%	6.37%
EUR/JPY	129.65	0.02%	3.05%

Fixed Income	Value	Daily Change
US 10yr	1.280	-0.030
US 2yr	0.203	-0.016
Bund 10yr	-0.444	-0.025
Irish 10yr	-0.027	-0.023
Gilt 10yr	0.577	-0.005
JGB 10yr	0.022	0.005

Financial News Round Up

Chinese PMI Data

Data released in the early hours of this morning has brought China's economic recovery into question, as factory activity expanded at a slower pace this month and the services sector dipped into contractionary territory since February 2020.

The world's second largest economy saw a Manufacturing reading of 50.1 for August, just in expansionary territory and against expectations for 50.2 and July's 50.4. For Services China recorded a 47.5 result vs 52.1 forecasts, the region's first figure below the 50.0 expansionary/contractionary border since the onset of the virus at the beginning of 2020.

China saw a definite slow down in terms of their economic recovery this summer, as the nation saw its largest Covid-19 outbreak in months, as millions were locked down once again and travel restrictions were re-introduced during what is traditionally the peak summer tourism period.

Eurozone Inflation

Inflation in the Eurozone jumped to 10-year highs during August, with further rises likely to come according to many analysts in the region. The August CPI result came in at a robust 3.0% y/y versus estimates for 2.7% and the previous month's 2.2%, equating to decade highs for the region. Core CPI, which records the same data minus food, energy, alcohol, and tobacco prices, rose to 1.6% y/y vs 1.5% forecasts and July's 0.7% reading.

This CPI result, which is well above the ECB's 2% target, will certainly catch the attention of policymakers and may begin to challenge their commitment to look past what they deem to be a temporary price increase, should it persist. The ECB's next rate decision and monetary policy release will come on Thursday September 9th.

Ryanair

Budget airline Ryanair is forecasting a robust recovery in the coming months, according to recent comments from chief executive Michael O'Leary, who claimed that the airline should exceed its goal of flying 10.5 million passengers in August. He went on to say that the firm is expecting to fly roughly 10.5m passengers per month over the next three months, albeit at lower prices than before the pandemic.

"As long as there are no adverse Covid developments, things are set fair for a very strong recovery" O'Leary told Reuters. Reportedly, the airline is keen to make a meaningful order for Boeing's 737 MAX 10 model, but no agreement has been made between the firms thus far. "We're certainly very keen to place a MAX 10 order but only when the timing and the pricing is right" the CEO added. Ryanair are in fact already Europe's biggest customer for the 737 MAX, with 210 orders of the MAX 8-200 aircraft in place currently, due to be completed by 2025.