

# Daily Update

Your daily market news, moves  
and outlook



## SEASPRAY FINANCIAL

Wealth & Investment Management

### Monday, 4th of October

## Markets Outlook

**Equities:** Stock markets are slightly lower at the time of writing on Monday, after what was a mixed session overnight in Asia. Evergrande is in focus once again after its shares were suspended from trading in Hong Kong, the property giant having missed two overseas interest payments recently. Additionally, Evergrande has a \$260m offshore note maturing today which only has a 5-day grace period rather than the usual 30. VIX is slightly elevated at \$22.80 on Monday morning as US futures sell-off.

**Currencies:** The Dollar is marginally lower this morning after touching 1-year highs last week, bringing the Euro and Sterling higher on the session to \$1.161 and \$1.356, respectively. Despite this move, the Dollar remains near last week's levels amid ongoing concerns over China's property sector and persistently high inflation in the US. Dollar traders and Fed officials alike will begin to look towards this Friday's US jobs data, we suspect a strong figure for the region will give the Fed the green light to begin tapering sometime soon.

**Safe-havens:** US Treasuries actually ended up finishing last week flat for the most-part, after yields initially moved sharply higher earlier in the week on the back of a more hawkish Fed and inflation concerns. Yields on both sides of the Atlantic are heading higher this morning, Germany's benchmark 10yr however still yielding a negative 21 basis points, while the US 10yr sits at 1.49%. Looking at short-dated Treasuries, the US 2yr currently yields 0.27%, seeing new pandemic-highs last week as traders price in rate hikes over the coming 24 months.

## Key Events to Watch

- 04/10/2021 - OPEC Meetings
- 05/10/2021 - RBA Rate Decision
- 05/10/2021 - US Services PMI
- 08/10/2021 - US Non-Farm Payrolls

## Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	4,357	1.15%	16.00%
DAX	15,156	-0.68%	9.66%
EuroStoxx	4,035	-0.32%	12.50%
ISEQ	8,448	0.55%	14.34%
FTSE	7,027	-0.84%	8.51%
Nikkei 225	28,771	-2.31%	3.65%

FX	Value	Daily Change	YTD Change
EUR/USD	1.1594	0.11%	-4.99%
EUR/GBP	0.8557	-0.43%	-4.14%
GBP/USD	1.3545	0.54%	-0.86%
USD/CHF	0.9309	-0.06%	5.10%
USD/JPY	111.05	-0.20%	7.63%
EUR/JPY	128.75	-0.09%	2.27%

Fixed Income	Value	Daily Change
US 10yr	1.465	-0.027
US 2yr	0.265	-0.016
German 10yr	-0.228	-0.023
Irish 10yr	0.174	-0.025
UK 10yr	1.003	-0.019
Japanese 10yr	0.043	-0.007

## Financial News Round Up

### The Week Ahead

As we move through this week, market volatility has the potential to reduce as investors keep their powder dry ahead of Friday's big employment release from the US. As has been the case for some weeks now, market participants will likely continue to debate and discuss issues such as slowing global growth coupled with higher inflation (a stagflation scenario), supply chain issues and raw material shortages, Evergrande's missed debt payments and subsequent concerns over China's whole property sector, and potential Fed rate hikes as early as next year.

In terms of data to watch this week, Monday afternoon will be fairly quiet from the main regions, overnight tonight we will however see the Reserve Bank of Australia release its latest rate decision and monetary policy statement. Tuesday morning will see the release of September Services PMI figures for Eurozone nations throughout the morning, and will be followed by the same from the United States at 3pm Dublin time. We note that we will also see the ECB President Christine Lagarde speaking at 4pm on Tuesday, at an event in Frankfurt.

In the early hours of Wednesday morning the Reserve Bank of New Zealand are due to release, the central bank are interestingly forecast to increase their official cash rate from 0.25% to 0.50% for the first time since the pandemic began. On Wednesday afternoon we are due to see the release of the 'ADP Employment Change' data from the States, this figure measures similar information to this Friday's NFP, and may give us an idea of what to expect on Friday.

Thursday will be relatively muted from a data standpoint, with Friday seeing the likely highlight of the week - coming in the form of both Canadian and US employment change and unemployment rate results. The US' Non-Farm Payrolls figure, which measures the change in the number of employed Americans during previous month (excluding the farming industry), is forecast to come in at +490k versus last month's +235k which was a significant miss of expectations. The US Unemployment Rate is expected to come in at 5.1% for September, versus August's 5.2% and July's 5.4%.

### Ryanair

The latest figures from Europe's largest budget airline show that Ryanair flew a total of 10.6 million passengers last month as Covid restrictions continued to slowly and steadily ease around Europe. This compares to Ryanair's 5.2m passengers during September 2020.

The firm's load factor was a robust 81% last month, rising from the previous 71%, as it ran over 69,000 flights over the 30 days.

It is worth noting that we have also seen results from competitor Wizz Air (Hungarian budget airline), the airline carrying 3 million passenger during September with a load factor of just over 78%. Wizz stated that it saw passenger numbers climb by 91% y/y as it flew 57% more seats than in September 2020.

Ryanair's share price is roughly 1.7% higher at the time of writing, having this morning touched its highest prices since April, currently trading at the top of its range at €17.48. The shares are 5.5% higher YTD, however are a more impressive 30+% higher than one year ago before the successful vaccine announcements.