

Daily Update

Your daily market news, moves
and outlook



SEASPRAY FINANCIAL

Wealth & Investment Management

Markets Outlook

Thursday, 15th of September

Equities: European indices are slightly higher on Thursday morning after shedding some of their value again yesterday. This follows a mixed session across Asia overnight, Chinese equities moved lower after the PBOC's decision to pause its easing measures amid increased pressure from a very hawkish Federal Reserve.

Sentiment also remains fragile in the West, after markets in the US saw their biggest one-day decline since June 2020 on Tuesday, after the US CPI print. The possible impacts of monetary tightening on economic growth have been on the minds of investors for months now, and are only becoming more intense.

The VIX is higher so far this week, at \$25.90 on Thursday.

Currencies: The Japanese Yen was stronger against all major currencies on Wednesday after senior government officials said that an intervention in the FX market to support the Yen cannot be ruled out. However, the US dollar's momentum is strong at present, the greenback having since taken back some of this ground vs Yen. USD/JPY remains near its 24-year high around 143.50.

Fixed income: The fallout from Tuesday's US CPI inflation print continues as flattening yield curves in the nation drive talk of a so-called 'hard landing' for the US and indeed the global economy. Fed rate hike expectations have ramped up, investors are increasingly expecting a 100bp move next week, although 75bp is still the base case.

The US 2yr yield (at 3.82%) is now 0.39 percentage points ahead of the 10yr, the biggest gap in about a month.

Looking ahead: US Retail Sales figures are due out of the United States at 1:30pm today, with the m/m headline result for August forecast at -0.1% vs the prior 0.0%, and the Core figure at 0.0% vs the prior 0.4%. These data points are a primary gauge of consumer spending in the States, which of course accounts for the majority of overall economic activity in the region. At the same time today the US 'Empire State Manufacturing Index' for September is also released.

Overnight tonight China will release its own Retail Sales, followed by the same from the UK before market open tomorrow morning. On Friday afternoon we will see US Consumer Sentiment data come due.

Key Events to Watch

15/09/2022 - US Retail Sales

16/09/2022 - UK Retail Sales

16/09/2022 - US Consumer Sentiment

21/09/2022 - Fed Rate Decision

Financial News Round Up

Ireland's Budget

According to RTÉ this morning, 'Family Business Network Ireland' (FBN) has called for a number of actions to be taken in Ireland's 2023 Budget, which is due to be presented by the Government on the 27th of this month. Time-limited grants and supports for firms dealing with surging costs, a reduction in the CGT rate, and an increase to the entry point threshold for the higher tax rate are among the calls made by the organisation.

The FBN has called for "decisive action" to assist small and medium sized companies across the country, and stated that the crisis in the cost of doing business here is putting many family-owned firms (who employ almost 1 million people) at risk.

"We urge the Government to introduce targeted measures such as a time-limited energy grant and a commercial rates waiver to help reduce the rapidly rising costs of doing business" said John McGrane, Executive Director of the FBN, "These realistic measures in the upcoming Budget will be vital if family businesses are to weather a winter of crippling inflation".

H&M

Sweden-based multinational clothing company H&M (the world's second-largest fashion retailer) has this morning reported a more gradual rise than expected in its June-August net sales. H&M's fiscal third quarter net sales came in 3% higher year-over-year at 57.5 billion Swedish Crowns (\$5.36b equivalent). This is against market forecasts for a 5% increase to 58.6b Crowns.

"The third quarter got off to a weak start, in common with the industry in many of the group's major markets" the firm said in its statement, "Sales improved sequentially during the quarter, with a better start for the autumn collections than last year". Measured in local currencies, H&M said sales were 4% lower.

The shares are 0.75% weaker following this release, now down nearly 37% YTD, comparing to the broad Swedish market which is 0.5% higher on Thursday and down just 20% YTD.

Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	3,946	0.34%	-17.21%
DAX	13,028	-1.22%	-17.98%
EuroStoxx	3,567	-0.52%	-17.00%
ISEQ	6,886	-1.89%	-18.45%
FTSE	7,277	-1.47%	-1.45%
Nikkei 225	27,875	0.21%	-3.18%

FX	Value	Daily Change	YTD Change
EUR/USD	0.9977	0.07%	-12.36%
EUR/GBP	0.8651	-0.24%	2.99%
GBP/USD	1.1535	0.38%	-14.88%
USD/CHF	0.9622	0.09%	5.55%
USD/JPY	143.15	-0.97%	24.76%
EUR/JPY	142.89	-0.83%	9.34%

Fixed Income	Value	Daily Change
US 10yr	3.404	-0.008
US 2yr	3.788	0.043
German 10yr	1.698	-0.026
Irish 10yr	2.283	-0.051
UK 10yr	3.149	-0.017
Japanese 10yr	0.246	0.000