



## Markets Outlook

## Tuesday, 29th of November

**Equities:** European indices have opened in a mixed but relatively quiet fashion after we saw gains in Asian equities overnight, led by a surge in Greater China. US futures are following slightly higher this morning. Speculation has built over a Chinese reopening, and comes after protests across region dissipated. Some rumours are also circulating over the possibility for the PBOC (Chinese central bank) to step in with easing measures to counteract the economic impact of the lockdowns.

Spanish CPI has encouragingly come in at 6.8% y/y versus forecasts for 7.4%, and we are currently awaiting the German figure. Spain's IBEX 35 index is trading 0.3% lower to €8,296.

**Currencies:** EUR/USD is on track to end November roughly 5% higher, having briefly touched its highest levels in five months yesterday. The pair is 0.2% higher this morning to 1.035.

The dollar has been weakened on the back of lower Treasury yields and a general risk-on sentiment as inflation falls and China looks to reopen fully.

**Energy:** The main oil contracts are about 2% stronger at the time of writing on Tuesday, Brent up to \$85.65 and WTI Crude to \$78.75. This rally is being driven of course by the speculation over a Chinese reopening, but also on bets that recent market weakness will invite more supply cuts from OPEC nations. Oil yesterday traded its lowest levels since January of this year.

**Looking ahead:** The highlights of the day from an economic data standpoint will include the release of Canada's monthly GDP at 1:30pm (expected at 0.1% m/m for September, vs the previous 0.1%), followed by the US Consumer Confidence result at 3pm (expected to fall slightly for the current month).

Importantly, we will also begin to see individual Eurozone nations release their November CPI figures. The European Parliament committee will today discuss the EU's response to the energy crisis, so we may see some headlines from this event.

Thursday too is scheduled to be busy for markets - with the release of the full Eurozone CPI result, a US GDP number, US monthly Job Openings, and a speech from the Fed Chair J Powell.

## Key Events to Watch

29/11/2022 - US Consumer Confidence  
30/11/2022 - Eurozone CPI  
30/11/2022 - US GDP  
01/12/2022 - US Core PCE

## Financial News Round Up

### Twitter

New Twitter boss Elon Musk has made claims that Apple is curbing advertising on Twitter and threatening to "withhold" the social media platform from its App Store, in what could be the beginning of a significant conflict between the world's wealthiest man and the most valuable tech company.

Musk released a series of tweets on Monday focused on the iPhone maker, writing that Apple had "mostly stopped advertising on Twitter", adding "Do they hate free speech in America?". He also stated that "Apple has also threatened to withhold Twitter from its App Store, but won't tell us why."

This outburst against the \$2.28 trillion company (still the largest on the planet when measuring by market cap) comes after a growing number of big brands have quietly pulled spending from the social media site since Musk finalised his deal to buy it for \$44b. Many concerns have been expressed that the relaxation of Twitter's content moderation policies could cause toxic content to increase substantially.

### Nestlé

Swiss multinational food and drink processing conglomerate Nestlé has upgraded its 2022 sales outlook once again this morning, now forecasting for 8-8.5% organic sales growth versus the previous estimates for around 8%.

"We now expect organic sales growth between 8% and 8.5%. The underlying trading operating profit margin is expected around 17.0%. Underlying earnings per share in constant currency and capital efficiency are expected to increase" the firm said in its statement.

The shares are currently 1% weaker on Tuesday, trading down to 112.38 Swiss francs. Nestlé is up 8.5% from its October low-point and currently down just under 12% YTD (slightly outperforming the broad Swiss market).

### EasyJet

London-listed budget airline EasyJet has said that bookings for spring and summer 2023 are looking positive and it is already achieving higher ticket prices, while also alluding to the fact that there will be market-wide inflationary pressures. The airline said its headline pretax loss for the year to September-end came to £178m, slightly better off than the consensus expectations for £182m. The firm stated that ticket yields for H2 of its next fiscal year (when it usually makes most of its profits) were expected to be much stronger.

## Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	3,963	-1.54%	-16.83%
DAX	14,383	-1.09%	-9.45%
EuroStoxx	3,935	-0.68%	-8.44%
ISEQ	7,267	-0.63%	-13.94%
FTSE	7,474	-0.17%	1.21%
Nikkei 225	28,027	-0.48%	-2.65%

FX	Value	Daily Change	YTD Change
EUR/USD	1.0344	-0.23%	-8.81%
EUR/GBP	0.8649	0.57%	2.90%
GBP/USD	1.1960	-0.78%	-11.35%
USD/CHF	0.9490	0.17%	3.90%
USD/JPY	138.74	-0.46%	20.27%
EUR/JPY	143.51	-0.68%	9.66%

Fixed Income	Value	Daily Change
US 10yr	3.679	-0.025
US 2yr	4.444	-0.018
German 10yr	1.980	0.014
Irish 10yr	2.420	0.031
UK 10yr	3.152	0.035
Japanese 10yr	0.246	-0.003