

# Daily Update

Your daily market news, moves  
and outlook



## SEASPRAY FINANCIAL

Wealth & Investment Management

### Wednesday, 26th of August

## Markets Outlook

**Equities:** A strong day in all major markets with European markets gaining on the back of additional stimulus measures in Europe's largest economies with Germany announcing a range of new stimulus measures and expectations of new measures in France. The Irish market followed other markets higher and the US ended a strong day as markets chase large cap stocks with Salesforce up 26% on the day. Today is expected to continue firm though markets will pause to see what the Fed speech will bring.

**Currencies:** For FX markets today's Jackson Hole speech by Federal Reserve Chairman Jay Powell is the most important event risk this week. Despite a continued rise in US yields, investors sold US dollars ahead of this big event. The greenback experienced its biggest decline against sterling, the New Zealand and Australian dollars. USD/JPY shrugged off better than expected durable goods numbers to trade back down towards 106.00. Economists are calling this speech "profoundly consequential" and probably "historic" according to CNBC.

**Safe-havens:** Gold eased slightly overnight as the commodity was equally affected by today's speech. Oil remained strong as refineries were closed in US due to weather fears.

**Looking ahead:** Today all eyes are on the Fed Speech

## Key Events to Watch

- 27/08/2020 - Fed Chair Powell Speaks
- 27/08/2020 - Jackson Hole Symposium
- 28/08/2020 - Day 2 of Jackson Hole Symposium
- 28/08/2020 - Italian 10 year bond auction
- 28/08/2020 - Chicago PMI

## Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	3,479	1.02%	7.67%
DAX	13,190	0.98%	-0.44%
EuroStoxx	3,357	0.81%	-10.37%
ISEQ	6,580	1.71%	-6.35%
FTSE	6,045	0.14%	-19.85%
Nikkei 225	23,188	-0.44%	-1.98%

FX	Value	Daily Change	YTD Change
EUR/USD	1.1829	0.00%	5.47%
EUR/GBP	0.8958	0.04%	5.99%
GBP/USD	1.3207	0.00%	-0.44%
USD/CHF	0.9084	0.03%	-6.22%
USD/JPY	106.05	0.06%	-2.38%
EUR/JPY	125.48	0.10%	2.95%

Fixed Income	Value	Daily Change
US 10yr	0.682	-0.005
US 2yr	0.149	-0.006
Bund 10yr	-0.422	-0.011
Irish 10yr	-0.091	-0.015
Gilt 10yr	0.305	0.002
JGB 10yr	0.032	-0.010

## Financial News Round Up

### Boeing & the 737 MAX

After nearly 18 months since Boeing's 737 MAX jetliners were grounded following two fatal crashes, Boeing today will be having flight tests for the latest safety upgrades with Transport Canada. This is the second set of tests after test in the USA occurred two months ago. Today's tests are part of the regulators "independent review" on whether to approve Boeing's new changes to the aircraft. The company is optimistic that MAX deliveries will recommence in the end of quarter 4 2020. These developments are watched cautiously by the main airline companies in Europe particularly Ryanair who had plans to buy up to 160 Max planes before the groundings.

### Salesforce.com

Salesforce.com, who we reviewed yesterday, saw its stock jump by 26% yesterday in trade as market analysts and investors reacted very positive to the earnings upgrades which saw the company report earnings of \$1.44 per share versus an expected 0.76 cents

### Flutter Entertainment - Paddy Power

This morning, Flutter Entertainment, the owner of PaddyPower Betfair and SkyBet, have reported sales which increased by more than a fifth during lockdown despite the widespread cancellation of sports fixtures. The company reported that a move by customers to play online casino and poker games during lockdown had "more than offset" the lost revenue from the closure of its betting shops and the lack of sports fixtures.

The condensed run of football fixtures since the easing of coronavirus-related restrictions had boosted betting volumes, it added. As a result it said it expected adjusted earnings, excluding its US business, to be between £1.2bn and £1.3bn — about 10 per cent ahead of consensus forecasts. Revenue in the six months to the end of June increased 22 per cent to £2.4bn on a like-for-like basis accounting for its acquisition of Stars Group in a £10bn deal that completed in May. Not including the comparative figures for Stars Group, the group's revenue jumped 49 per cent to £1.5bn, while earnings, adjusted for £194m in integration costs, were up 59 per cent to £342m.