

# Daily Update

Your daily market news, moves  
and outlook



Thursday, 20th of May

## Markets Outlook

**Equities:** Stock markets have opened higher in Europe this morning after a mixed session in Asia overnight, the main indices roughly half a percent higher across the continent, while the FTSE100 is just 0.15% higher in London as we write. We note that earnings results continue to come in above expectations in Europe this week. Futures in the US are moving slightly lower this morning for what is looking to be their fourth consecutive session in the red. VIX higher to \$22.90 at the time of writing.

**Currencies:** FX markets have remained relatively subdued this week despite rising inflation concerns, significant cryptocurrency volatility, and choppy trade across risk assets in general. The Dollar has however remained on the back foot for a couple of months now, the Dollar Index trading below the 90.0 mark this week for the first time since late February as investors bet on an ever-dovish Fed. EUR/USD and GBP/USD are slightly higher on Thursday to 1.2190 and 1.4118.

**Safe-havens:** Gold is half a percent lower today to \$1,872, after a few weeks of steady gains for the safe-haven metal. Silver has shed about 2% of its value between this morning and yesterday, the more volatile metal still over 13% higher so far in April and May as central banks continue to issue new fiat currency. Treasuries remain steady this morning, the US 10yr yield lower to 1.652% and trading roughly in the middle of its range of the last two months.

**Looking ahead:** Thursday will be on the quieter side in terms of economic data points, we will however see the release of the US' weekly unemployment claims at 1:30pm today Irish time. Tomorrow will be busier, we are due to get Retail Sales results from Australia and the UK, and Services and Manufacturing PMIs due for the month of May from both sides of the Atlantic.

## Key Events to Watch

21/05/2021 - UK Retail Sales

21/05/2021 - European PMIs

21/05/2021 - US PMIs

27/05/2021 - US GDP

## Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	4,115	-0.29%	9.57%
DAX	15,113	-1.77%	10.79%
EuroStoxx	3,936	-1.71%	11.43%
ISEQ	7,927	-1.53%	7.92%
FTSE	6,950	-1.19%	8.06%
Nikkei 225	28,098	0.19%	2.38%

FX	Value	Daily Change	YTD Change
EUR/USD	1.2172	-0.39%	-0.11%
EUR/GBP	0.8622	0.12%	-3.32%
GBP/USD	1.4113	-0.52%	3.34%
USD/CHF	0.9038	0.69%	1.77%
USD/JPY	109.21	0.30%	5.61%
EUR/JPY	132.93	-0.09%	5.47%

Fixed Income	Value	Daily Change
US 10yr	1.676	0.036
US 2yr	0.159	0.008
Bund 10yr	-0.107	0.003
Irish 10yr	0.330	-0.008
Gilt 10yr	0.841	-0.027
JGB 10yr	0.077	0.001

## Financial News Round Up

### EasyJet

British multinational low-cost airline group EasyJet plc has said this morning that it would fly roughly 15% of its pre-pandemic schedule during its current fiscal third quarter, with an expectation to increase its capacity from June onwards when the UK looks to fully reopen. We note that these new projections from the airline are somewhat less optimistic than in their update one month ago, in which the airline said it hoped to fly 20% of its pre-pandemic schedule and ramp it up from May on. In comparison, British Airways and Aer Lingus owner IAG recently stated its intention to fly 25% of its normal schedule over the period, while Air-France-KLM said it is looking to hit 50% this summer.

EasyJet reported a first-half loss of £701 million before market open this morning, towards the upper end of its guidance range of between £690m - £730m. Revenue fell a whopping 90% over the six-month period to £240m, with cash burn actually coming in stronger than expected at £38m per week in the January to March quarter. EasyJet has £2.9 billion in total liquidity to last it through the current uncertainty.

While the company could not give any further guidance for its fiscal full-year result forecasts, due to pandemic-related uncertainty, it did state that "We have the ability to flex up quickly to operate 90% of our current fleet over the peak summer period to match demand".

### Bitcoin

Bitcoin, the largest cryptocurrency by market cap, is recovering some of yesterday's lost ground this morning after it plunged by up to 30% on Wednesday before closing down 11%. The cryptocurrency has seen massive volatility this week as positions are unwound, and a widespread de-leveraging has taken place. Bitcoin investors' most recent concerns have come as news emerged this week that Chinese regulators have signalled a crackdown on the use of digital coins.

According to a recent fund manager survey by Bank of America, bitcoin was the most overcrowded long position in the market, so this volatile and sharp pullback should not come as a huge surprise.

Bitcoin, which had a market capitalization of over \$1 trillion about a week and a half ago before this latest move lower, trades around \$39,440 and €32,350 on Thursday morning, and is still 37% higher YTD.

We expect very high volatility to remain a factor with regard to this asset for the foreseeable future and of course advise caution, if you would like more information please contact [info@seasprayfs.ie](mailto:info@seasprayfs.ie).