

Daily Update

Your daily market news, moves
and outlook



Monday, 30th of August

Markets Outlook

Equities: The main indices on the continent are marginally higher on Monday morning, many still sitting just below their all-time highs, as investors hope that continued central bank assistance will sustain an economic recovery and underpin equity markets in the months ahead. Markets showed lower volatility on Friday after Fed Chair Jerome Powell laid out a slower than expected path to rate hikes and even to the bank's QE tapering. The VIX moved lower last week, now resting at \$16.67 this morning as stocks show relatively quiet trade.

Currencies: The main currency pairs are seeing very quiet trade to start off the week, we may see some movement later in the week when we get some Manufacturing PMI data points out of different regions as the days go on, with some Fed speakers also on Wednesday and Thursday. Likewise the release of the US' Non-Farm Payrolls and Unemployment Rate this Friday could mean some more movement for the US Dollar. EUR/USD at 1.18 on Monday, EUR/GBP at 0.857.

Safe-havens: Safe-havens are seeing a quiet start to the week, broadly in line with the main other asset classes, gold and silver are both slightly lower to \$1,818 and \$24.07 respectively, having gained last week. Looking at government bonds, the US 10yr has seen range-bound movement for over a month now, currently yielding 1.30%. German Bunds on the other hand have seen yields shift higher over the past week, after July and August's fall from -0.20% to -0.50%.

Key Events to Watch

31/08/2021 - Chinese Manufacturing PMI
01/09/2021 - German Manufacturing PMI
01/09/2021 - US Manufacturing PMI
03/09/2021 - US Non-Farm Payrolls

Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	4,509	0.88%	20.06%
DAX	15,851	0.37%	15.55%
EuroStoxx	4,190	0.51%	18.12%
ISEQ	8,841	-0.11%	20.00%
FTSE	7,148	0.32%	10.64%
Nikkei 225	27,789	0.54%	1.26%

FX	Value	Daily Change	YTD Change
EUR/USD	1.1793	0.37%	-3.40%
EUR/GBP	0.8570	-0.06%	-3.95%
GBP/USD	1.3757	0.42%	0.62%
USD/CHF	0.9111	-0.71%	3.06%
USD/JPY	109.82	-0.23%	6.38%
EUR/JPY	129.55	-0.05%	2.76%

Fixed Income	Value	Daily Change
US 10yr	1.310	-0.044
US 2yr	0.219	-0.023
Bund 10yr	-0.419	-0.002
Irish 10yr	-0.004	-0.012
Gilt 10yr	0.582	-0.022
JGB 10yr	0.017	0.004

Financial News Round Up

The Week Ahead

Financial markets may be in for a slightly quieter one this week, in terms of data points we will not have any major releases from either side of the Atlantic on Monday to get the week started. In the early hours of Tuesday morning we are due to hear from China, the world's second largest economy will release August's manufacturing and non-manufacturing PMI results, expected at 50.2 and 52.1 respectively. Later that day we will get monthly GDP figures from Canada and some consumer confidence readings out of the States.

Moving on to Wednesday, Australia are due to release q/q GDP results for the second quarter in the early hours (expected at 0.6% vs the previous 0.5%). Wednesday morning will see the release of Manufacturing PMI data from some key Eurozone nations, namely the region's biggest economy Germany, followed by the same from the US in the afternoon. OPEC nations will also meet on Wednesday to discuss a range of issues surrounding energy markets.

Thursday looks to be quieter on the economic data front, we will however see the weekly US unemployment claims figure after lunch. Volatility may begin to pick up at the end of the week on most markets, we are due to see the US' Non-Farm Payrolls figure and monthly Unemployment Rate releases. The region is expected to have added 750,000 new jobs over the past month versus the previous 943,000. For the US Unemployment Rate, analysts are forecasting 5.2% for August, vs July's reading of 5.4%.

KBC Ireland

KBC Bank Ireland has agreed a deal to sell a non-performing mortgage loan portfolio worth roughly €1.1 billion, in what is another step in the group's withdrawal from Ireland. While private equity fund CarVal Investors has stepped in to make the purchase, KBC have stated that Pepper Finance Corporation will manage the portfolio after the deal is completed.

The portfolio reportedly consists of both home and buy-to-let mortgages, as well as a smaller number of some non-mortgage non-performing loans, and involves "substantially all" of the bank's remaining non-performing mortgage loans.

"I'm confident that the agreement we have signed for the sale of substantially all of the remaining non-performing mortgage loan portfolio, and with Pepper managing the loans post completion, offers a good and sustainable solution for our non-performing mortgage loan customers" said KBC Ireland CEO Ales Blazek.

"We can assure that any customers whose loans are included in the transaction will continue to be afforded the same legal and regulatory protections. Pepper is a well established player in the Irish market" the CEO said in a statement, "Affected customers will be contacted shortly regarding concrete steps related to them".