Daily Update

Your daily market news, moves and outlook

SEASPRAY PRIVATE
Wealth Management Solutions

Tuesday, 30th of November

Markets Outlook

Equities: A cautious tone has returned to equity markets after comments emerged from the CEO of Moderna predicting that existing vaccines will be much less effective at tackling Omicron than earlier variants. The main indices in Europe have opened lower on Tuesday, having made some small gains yesterday, the EuroStoxx50 currently trading 1.6% lower on the session to €4,047 (this morning touching its lowest price in 7 weeks). Looking at the States, S&P futures are down 1.3% as the VIX moves higher to above $27.00. This follows a broadly negative session in Asia overnight. We will be watching for any confirmed Omicron cases in the US, the nation is usually always a large catalyst for market moves.

Currencies: EUR/USD and EUR/GBP continue to rally today, rate hikes next year in the US and UK had been priced into FX markets, with such positions likely being unwound as Omicron fears build and pose a threat to the global economic recovery. EUR/USD 0.65% higher to 1.1365, EUR/GBP 0.30% to 0.85.

Safe-havens: Gold has seen choppy trade over the past week as investors weigh up the risks associated with the new variant, along with any possible central bank reactions and persistently high inflation. The metal trades almost 0.8% higher on Tuesday to above $1,798. Sovereign bond yields are taking another step lower this morning as investors rush into safe havens, US 10yr down to 1.42% and on the verge of its lowest yield since September.

Looking ahead: Earlier this morning China's Manufacturing and non-Manufacturing PMI results showed that the region saw an unexpected pickup in activity in November. Jerome Powell will speak at 3pm Irish time today, and is due to tell US lawmakers that Omicron could imperil economic recovery, prepared remarks show. Powell is due to publicly speak again tomorrow, we are also due to get communication from the BOE Governor Andrew Bailey.

Key Events to Watch

30/11/2021 - Fed Chair Powell speaks
01/12/2021 - BOE Gov Bailey speaks
01/12/2021 - US ISM Manufacturing PMI
03/12/2021 - US Non-Farm Payrolls

Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	4,655	1.32%	23.94%
DAX	15,280	0.16%	11.39%
EuroStoxx	4,109	0.49%	15.67%
ISEQ	7,889	0.70%	6.95%
FTSE	7,109	0.94%	10.05%
Nikkei 225	27,821	-1.63%	1.38%

FX	Value	Daily Change	YTD Change
EUR/USD	1.1291	-0.01%	-7.28%
EUR/GBP	0.8478	0.17%	-4.79%
GBP/USD	1.3311	-0.23%	-2.57%
USD/CHF	0.9230	-0.15%	3.99%
USD/JPY	113.52	-0.18%	9.54%
EUR/JPY	128.13	-0.23%	1.57%

Fixed Income	Value	Daily Change
US 10yr	1.502	-0.029
US 2yr	0.496	-0.043
German 10yr	-0.315	-0.026
Irish 10yr	0.181	0.021
UK 10yr	0.851	0.038
Japanese 10yr	0.057	-0.010

Financial News Round Up

Irish Mortgages

Earlier today we got the release of the BPFI's (Banking & Payments Federation Ireland) October mortgage readings, which indicate a slowdown in approvals on both a monthly and year-over-year basis in Ireland. Reportedly, a total of 4,568 mortgage loans were approved last month, a 4.2% drop m/m and a somewhat surprising 12.3% decrease vs the same period last year. Taking a look at the breakdown: 2,533, or 55.5%, of these were made up by first time purchasers, with mover-purchasers coming in at 1,076 (23.6%).

In terms of values, October's total mortgage approvals were worth €1.188 billion, 1.4% lower than during September and down 5.2% y/y. This was mostly made up of first-time buyers at 55.2%, and then mover purchasers at 27.5%.

BPFI chief executive Brian Hayes alluded to the fact that y/y figures may be slightly misleading at present since 2020 did not follow the traditional seasonality of mortgage approvals given the disruption caused by lockdowns.

"It is also worth noting that these October 2021 figures were the second highest levels of approvals volumes and values for the month of October since the data series began in 2011" he went on to add.

EasyJet

British multinational budget airline EasyJet plc has reported its results for the 12-month period to the end of September, its headline loss coming in at £1.14b - broadly in line with our expectations. This compares to a £835m loss in the prior year.

The airline said it has seen some softening in demand during its current fiscal Q1 following virus outbreaks such as the Omicron variant, however the firm remains well placed to handle the uncertainty. First-quarter capacity is in line to be up to roughly 65% of 2019 levels, the company having previously forecast for 70%.

"In summary, we remain mindful that many uncertainties remain as we navigate the winter, but we see a unique opportunity for EasyJet to win customers and take market share from rivals in this period" stated chief executive Johan Lundgren, pointing to the fact that the airline has become more flexible over the course of the pandemic.

Greencore

Irish food producer Greencore Group has seen a return to both revenue and profit growth for the year to September 24th, as it continues to emerge from what it has described as a challenging period due to Covid.

Group revenue increased by 4.8% to £1.325b, while adjusted operating profit was 20% higher to £39m. Group operating profit was an astonishing 232% higher to £42.8m from the previous year's £12.9m result. Greencore, the largest sandwich-maker in the UK, said that trading so far in its current financial year has been encouraging with continued positive momentum across the business. "As mobility increases towards pre-pandemic levels, there is strong demand in food to go and other convenience categories".