

Daily Update

Your daily market news, moves
and outlook



Thursday, 9th of December

Markets Outlook

Equities: European stock markets are opening in a muted fashion on Thursday, as investors continue to monitor developments surrounding the Covid virus and ahead of the release of important U.S. employment data. Global stock markets have been buoyed this week by indications that the Omicron variant of the coronavirus may produce a milder reaction in patients, even if it's highly transmissible, along with studies from drugmakers that the current vaccines can cope with the virus's mutations. The European data slate is pretty empty Thursday, and much of the attention is likely to be on the release of the latest weekly U.S. jobless claims data from the U.S., at 1330 GMT, the most up-to-date gauge of the strength of the country's labor market. Economists are expecting the number of first-time claimants to come in at 215,000, a small improvement from the 222,000 seen the previous week. In Europe, the earnings season is drawing to a close, but there are quarterly numbers expected from the likes of Rolls Royce, DS Smith and Dr. Martens.

Currencies: The dollar was up on Thursday morning in Asia, even as fears about the new omicron COVID-19 variant subsided. The U.S. Dollar Index that tracks the greenback against a basket of other currencies edged up 0.13% to 96.005. The focus will be to US employment numbers which are expected at 222,000 which if they come in at this level or higher will continue to bring some strength back into the dollar. In cryptocurrencies, top executives from six major cryptocurrency companies, including Coinbase (NASDAQ:COIN) and Circle, called for US Congress to provide clearer rules for the booming \$3 trillion industry. This is likely to become a growing interest area.

Safe-havens: Gold was down on Thursday morning in Asia, while U.S. dollar and Treasury yields are on an upward trend. Investors now await U.S. inflation data which could provide clues on the Federal Reserve's next policy move. The dollar, which normally moves inversely to gold, edged up on Thursday. Gold futures were up 0.66% to \$1,671.75. In other precious metals, silver and platinum edged down 0.2%, while palladium was up 0.4%.

Key Events to Watch

09/12/2021 - US employment data
10/12/2021 - UK GDP
10/12/2021 - US CPI
15/12/2021 - Fed Rate Decision

Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	4,701	0.31%	16.82%
DAX	15,687	-0.80%	14.35%
EuroStoxx50	4,233	1.01%	19.15%
ISEQ	8,231	-0.43%	10.39%
FTSE	7,337	-0.03%	13.57%
Nikkei 225	28,725	-0.47%	4.67%

FX			
EUR/USD	1.1321	-0.17%	-7.30%
EUR/GBP	0.8573	-0.10%	-3.96%
GBP/USD	1.3203	-0.04%	-3.43%
USD/CHF	0.9206	0.05%	4.03%
USD/JPY	113.48	-0.15%	9.94%
EUR/JPY	128.49	-0.31%	1.92%

Fixed Income		
US 10yr	1.499	-0.010
US 2yr	0.676	-0.003
Bund 10yr	-0.338	-0.028
Irish 10yr	0.092	-0.041
Gilt 10yr	0.737	-0.040
JGB 10yr	0.047	-0.002

Financial News Round Up

UK Shares

A busy start in London with UK rail operator, Go-Ahead having its shares suspended due to "serious errors" in its accounts related to non repayment of exchequer supports. The company lost its Southeastern franchise in September. Elsewhere Packaging group DS Smith posted the biggest gain in top flight, with shares up 2% after it forecast a significant improvement in profitability in the second half of its financial year. Rolls-Royce shares also dipped 2.5% as investors focused on the slow pace of recovery in civil engine flying hours in today's update, offsetting better-than-expected progress on restructuring. British Airways owner IAG also fell 2%.

Datalex

Following the recent announcement that CFO, Niall O'Sullivan is to leave the company and join the Blackrock Health Care Group which is substantially owned by Larry Goodman, Datalex Plc has announced that Dan Creedon will takeover as its chief financial officer and a director of the company. Mr Creedon, who starts in January, previously worked in building materials giant CRH plc, Tarmac, and spent over ten years in Asia and the Middle East serving as CFO, Asia Pacific at Cisco, at Lenovo and at Dell. The company which has strong backing from international financier, Dermot Desmond, has also appointed Dermot Halpin as a non-executive director, with effect from 1 January.

Dr Martens

Dr Martens, the boot brand originally favoured by Punk rockers and who has had a major revival in recent years which lead to a stock market debut in London earlier this year and it now has 135 stores globally. This morning they have posted a higher first-half profit of £61.3mln up 46% for the six month period to 30th September. The company however warned that shipping delays in its US business due to wider supply chain troubles will continue into the next fiscal year. The company despite this stated that they continue to expect to expand and in this vein it plans to open 20 to 25 new stores in fiscal year 2022.

Irish mortgage market

With the imminent withdrawal next year of KBC and Ulster bank from the Irish market, leaving a €2.3bn hole in Ireland's €10bn-plus mortgage market, the news overnight that another non bank lender is preparing to enter the market will be very welcome. Citizens Finance is currently operating as a non-bank lender with a €600m book of car, agricultural and commercial real estate (CRE) finance. They have announced that they are positioning themselves for an "opportunistic entry" into the Irish residential property market. They will following in the footsteps of Finance Ireland, Dilosk and Avant money whom all entered the market in recent years and with all of whom our Seaspray Mortgage business has a mortgage broking relationship. If you have any Mortgage needs contact our Mortgage specialist John Finnermore.