

# Daily Update

Your daily market news, moves  
and outlook



## Markets Outlook

**Equities:** Overnight Asian shares bounced, but were set for a second straight weekly loss and remained near June 2020 lows. European stock markets are expected to open higher today, ending a volatile week on a positive note as investors continue to assess persistent inflation, aggressive monetary tightening, and the associated impact on global economic growth. European equities have suffered a rollercoaster week, following the lead from Wall Street as investors reacted to the possibility earlier in the week that headline U.S. consumer prices may have peaked but also a warning from Federal Reserve chief Jerome Powell that there could still be economic pain from getting it under control.

**Currencies:** The dollar was down on Friday morning in Asia but remains near a 20-year high. Persistent global economic worries gave the dollar support. The US Dollar Index that tracks the greenback against a basket of other currencies edged down 0.14% to 104.737. The Euro has traded a little stronger as ECB is expected to increase rates in July providing support for the currency. In cryptocurrencies, bitcoin gained 7.49% and retook \$30,000 after plunging below that level on Wednesday for the first time since July.

## Key Events to Watch

- 13/05/2022 - EU industrial production M/M
- 16/05/2022 - EU Economic forecasts
- 16/05/2022 - UK monetary policy report
- 17/05/2022 - EU flash GDP q/q

## Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	3,930	-0.13%	-17.54%
DAX	13,740	-0.64%	-13.50%
EuroStoxx	3,613	-0.94%	-15.94%
ISEQ	6,913	-0.87%	-22.16%
FTSE	7,233	-1.56%	-2.05%
Nikkei 225	26,428	2.64%	-8.21%

FX	Value	Daily Change	YTD Change
EUR/USD	1.0430	0.24%	-8.46%
EUR/GBP	0.8509	0.09%	1.35%
GBP/USD	1.2217	0.16%	-9.65%
USD/CHF	1.0020	-0.09%	9.82%
USD/JPY	128.69	0.29%	11.79%
EUR/JPY	133.80	0.48%	2.32%

Fixed Income	Value	Daily Change
US 10yr	2.895	0.078
US 2yr	2.601	0.064
German 10yr	0.891	0.020
Irish 10yr	1.538	0.040
UK 10yr	1.716	0.048
Japanese 10yr	0.236	-0.007

## Friday, 13th of May

**Fixed income:** US 10 year bonds remain off their highs reached earlier in the week as it was revealed that the number of Americans filing new claims for unemployment benefits unexpectedly rose last week, touching the highest level in 3 months, but there is no material shift in labor market conditions amid strong demand for workers. Claims have been largely trading water since hitting more than a 53-year low of 166,000 in March. Economists blamed the second straight weekly increase on residual volatility in the data around moving holidays like Easter, and school spring breaks. Euro bonds moved higher as markets prepare for rate increase in July

**Commodities:** Oil prices rose Friday, but still looked set to register their first weekly loss in three as concerns about faltering global demand seemingly outweighed the prospect of a European Union ban on Russian oil tightening supply. The Brent contract rose 1.6% to \$109.13, set to drop nearly 3% this week. Elsewhere, gold futures were down 0.02% to \$1,824.17. Bullion is set for a 3.2% weekly drop, its biggest in two months. n other precious metals, silver was up 0.5%, but set for a fourth consecutive weekly fall. Platinum gained 0.8%, while palladium rose 1.4% but was set for weekly losses.

## Financial News Round Up

### Deutsche Telecom

Deutsche Telekom reported quarterly core profit and revenue above market estimates this morning, boosted by its U.S. unit, T-Mobile, along with growth in its European business, and lifted its full-year outlook. Adjusted earnings before interest, tax, depreciation and amortisation after leases (EBITDA AL) stood at €9.87 billion, beating consensus estimates of €9.55 billion in a poll of analysts published consensus by the company. The telecoms operator's first-quarter revenue increased by 6.2% to €28 billion, just above consensus estimates of €27.87 billion. The company stated that this was a strong start to the new year, and that they are continuing to grow on an organic basis and are therefore in a position to raise their guidance for 2022. The company now expects to post adjusted EBITDA AL of more than €36.6 billion in 2022, up from the previous guidance of around €36.5 billion.

### Irish inflation

The latest figures from the Central Statistics Office (CSO) show the annual rate of price growth in the Irish economy rose to 7 per cent in April due to higher energy, fuel and grocery prices. Inflation hasn't reached these levels since November 2000, but experts are warning that the peak of the current price surge has yet to come and that inflation may hit close to 9 per cent in the coming months.

The CSO's latest Consumer Price Index (CPI) detected a broad-based price rise across the Irish economy in April. The main drivers were energy and fuel. Electricity, gas and other fuels were up over 45 per cent year-on-year. Within this category, electricity prices were up 28 per cent, while gas prices rose by over 50 per cent. Home heating oil has soared by 90 per cent in just 12 months.

### Norwegian Air

Norwegian Air posted a loss for the first quarter this morning and said the surge in fuel costs will partly offset the positive effects of increased bookings for the summer season. The carrier said it is now ramping up its operations as countries across Europe have removed most COVID-19 restrictions. Norwegian Air earlier this month said the number of passengers rose by 50% in April from the prior month and that ticket yields, an important indicator of profitability, increased by 21% in the same period. The budget carrier, however, booked a net loss of \$101.82 million for the January-March period, which was dented by Omicron-fuelled lockdowns. In the same quarter of 2021 the company's loss stood at circa \$120 million. The company's liquidity was less affected, however, with cash and cash equivalents declining by 160 million crowns in the quarter to 7.5 billion crowns at the end of March.