

# Daily Update

Your daily market news, moves  
and outlook



## Markets Outlook

**Equities:** Stock markets are unsurprisingly seeing very quiet trade this morning, as Europe awaits the ECB rate decision in the early afternoon - investors are still unsure over whether the bank will opt for a 50 or 75 basis point increase.

Concerned that sky-high inflation is getting increasingly entrenched, policymakers are scrambling to keep a lid on the area's most damaging bout of price growth in almost half a century as it eats up household savings and weighs on business output.

Going forward, we expect inflation readings to be particularly important for equity markets over the coming weeks and months, as central banks move away from their usual method of forward guidance and instead react to the latest data points.

**Currencies:** The US dollar slipped yesterday, the Dollar index pulling back from its 20-year highs mostly on the back of Euro strength. The common currency caught a bid on Wednesday as expectations picked up again for a larger 75bp rate hike from the ECB. The Yen continues to weaken against other major currencies, now in its fourth consecutive week lower vs the dollar, USD/JPY now up 25% YTD.

## Key Events to Watch

08/09/2022 - ECB Rate Decision  
08/09/2022 - Fed Chair Powell speaks  
09/09/2022 - ECB and Fed speakers  
13/09/2022 - US CPI

## Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	3,979	1.83%	-16.50%
DAX	12,915	0.35%	-18.16%
EuroStoxx	3,502	0.06%	-18.01%
ISEQ	6,880	0.34%	-18.52%
FTSE	7,237	-0.86%	-1.63%
Nikkei 225	28,065	2.31%	-2.52%

FX	Value	Daily Change	YTD Change
EUR/USD	0.9999	0.98%	-12.12%
EUR/GBP	0.8672	0.87%	3.46%
GBP/USD	1.1525	0.08%	-15.01%
USD/CHF	0.9763	-0.81%	7.01%
USD/JPY	143.70	0.64%	24.97%
EUR/JPY	143.72	1.64%	9.85%

Fixed Income	Value	Daily Change
US 10yr	3.267	-0.084
US 2yr	3.439	-0.068
German 10yr	1.564	-0.041
Irish 10yr	2.149	-0.082
UK 10yr	3.038	-0.030
Japanese 10yr	0.241	0.003

## Thursday, 8th of September

**Fixed income:** As is the case with all the main asset classes, all eyes will be on the ECB release this afternoon, with moves likely to remain small until then. The German 2yr yield, which is most sensitive to policy rates in Europe, is sitting at 1.12% on Thursday morning, marginally higher on the week so far and up 68 basis points from just one month ago. Similarly, US Treasuries are flat to slightly higher this week, with key parts of the nation's yield curve still inverted.

**Looking ahead:** The main ECB release is due at 1:15pm today, and will be followed by Christine Lagarde's usual post-meeting press conference at 1:45pm. We will cover the central bank's decisions in detail in tomorrow's Daily Update. The next ECB monetary policy release will then take place on October 27th.

The Fed Chair Jerome Powell is also due to speak virtually at an event at 2:10pm today. Lagarde will also speak separately tomorrow, as will other Federal Reserve officials throughout the day.

Canada's Employment Change and monthly Unemployment Rate will be released tomorrow in the early afternoon, expected at +15k and 5.0% respectively.

## Financial News Round Up

### Cairn Homes

Irish house-builder and developer Cairn Homes has released a solid set of first-half results earlier this morning, with the company well on track to hit its own full-year targets.

Revenues for the six months to the end of June came in 84% higher to €240.4m from €130.6m during the same period in 2021. Operating profits for the period were at €36.2m - Cairn's strongest ever result and up by over 200% y/y.

Management stated that they remain "vigilant" to the challenging backdrop, as cost inflation persists, interest rates are increased, and geopolitical situations deteriorate.

"The business has experienced our best ever performance through the first half of 2022 and as anticipated, demand has continued to be exceptionally strong over the summer and autumn selling season" said CEO Michael Stanley, "With 22 active sites nationwide, involving an investment of nearly €350m in work in progress, we are guiding 1,500 closed sales and in excess of €600 million revenue by year-end" he went on to add.

### DCC

DCC Healthcare, a key subsidiary of DCC plc, has now officially made its largest ever acquisition after it agreed a deal to purchase medical devices firm Medi-Globe Technologies. The deal is worth a reported €245 million, will be subject to competition authority approval in France and Germany, and is due to be completed by the end of 2022.

In the firm's statement today, DCC said this deal marks a further meaningful expansion of its position in the medical devices sector.

### Cineworld

London-based entertainment conglomerate and the world's second-largest cinema chain 'Cineworld' has announced this morning that it has filed for bankruptcy protection in the United States as it seeks to restructure after facing low audience numbers. The company will now "seek to implement a de-leveraging transaction that will significantly reduce the Group's debt, strengthen its balance sheet and provide the financial strength and flexibility to accelerate, and capitalise on, Cineworld's strategy in the cinema industry."