

Daily Update

Your daily market news, moves
and outlook



Markets Outlook

Thursday, 30th of March

Equities: European markets have opened in positive territory after mixed trading in Asia earlier this morning. Greater China underperformed with strength seen in Australia, Korea, and Taiwan. The main indices across the Eurozone are about 1% stronger on Thursday - as the benchmark EuroStoxx50 quickly approaches its highs from early-March.

Real estate, tech and financials are leading the way higher for Europe this morning. This positive sentiment continues on from yesterday despite ECB chief economist Lane coming out and saying ECB rates will need to keep rising to contain inflation.

Futures in the States are slightly higher, with the VIX falling to around \$19 - its lowest point since March 9th.

Currencies: The greenback has drifted lower this week, with the dollar index trading down another quarter of a percent today to 102.075. Trade has been quiet however and most money managers will be keeping their powder dry ahead of key inflation figures out from the Eurozone and US tomorrow.

Safe-havens: Bond markets were mixed on Wednesday, US yield curves flattened slightly as shorter-duration yields rose. The policy-sensitive US 2yr, at 4.09%, still remains well below its multi-year high of 5.08% from the start of the month. Pricing for the Fed's May meeting is split - with half of the market expecting one final 25bp hike and half looking for no change.

Commodities are mixed on Thursday - oil higher, metals and agricultural products mixed.

Economic data: Spanish March CPI inflation has come in at 3.3% y/y this morning, in what is the first of the larger Eurozone nations to report this week. This reading was below analysts' expectations and sharply lower than February's 6.0% result. However, the country's Core CPI rate was at a still-elevated 7.5%, down marginally from February's peak of 7.6%. Germany's inflation data for March is due to be published at 1pm, and is forecast to fall from 8.7% to 7.3% for the headline figure.

The US 'Final GDP' result is estimated at an annualized 2.7% today, and will be released at 1:30pm. We expect only small revisions to this number, if any at all. US Treasury Secretary Janet Yellen is due to speak at an event in Washington DC tonight.

Key Events

30/03/2023 - US 'Final' GDP
31/03/2023 - Chinese PMIs
31/03/2023 - Eurozone CPI
31/03/2023 - US Core PCE

Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	4,027	1.42%	4.90%
DAX	15,328	1.23%	10.09%
EuroStoxx 50	4,231	1.51%	11.54%
ISEQ	8,223	1.21%	15.68%
FTSE 100	7,564	1.07%	1.51%
Nikkei 225	27,738	-0.52%	6.47%

FX	Value	Daily Change	YTD Change
EUR/USD	1.0843	0.00%	1.24%
EUR/GBP	0.8805	0.23%	-0.55%
GBP/USD	1.2311	-0.24%	1.84%
USD/CHF	0.9184	-0.12%	-0.72%
USD/JPY	132.84	1.51%	1.05%
EUR/JPY	144.04	1.50%	2.31%

Fixed Income	Value	Daily Change
US 10yr	3.566	-0.006
US 2yr	4.101	0.021
German 10yr	2.311	0.027
Irish 10yr	2.756	0.035
UK 10yr	3.470	0.015
Japanese 10yr	0.309	-0.008

Financial News

CFO Survey

According to the latest Irish CFO Survey, carried out by financial services group EY, 60% of respondents have increased investment in cybersecurity tools and technology over the past couple of years. Finance leaders' growing emphasis on resilience and cybersecurity awareness can be attributed to the rising threat level, heightened frequency and severity of attacks, and the consequential financial and operational risks that businesses face. According to the data, 30% of those surveyed have either stepped up their involvement in the managing of these risks or have increased their firm's insurance.

Just 15% of respondents said that building skills in non-financial/ESG reporting is a key priority for them over the next five years. This is despite over half of these CFOs claiming their role now includes a greater focus on ESG matters. 43% cited sustainability regulatory compliance as an important focus for the next two years, with only 2% saying non-financial and ESG reporting will be a main focus over this time period.

H&M

Sweden-based multinational clothing company Hennes & Mauritz (H&M) have reported a better-than-expected operating profit for December - February, helping boost the firm's stock price by circa 12% in Stockholm this morning. The figure came in at 725 million Swedish Krona (\$69.73m equivalent), up from the 458m Krona profit seen in the same period one year ago. H&M's operating profit margin was 1.3%, up from 0.9% one year ago. Management stated that net sales for March are expected to rise by 4% y/y in local currencies, after sales in their fiscal Q1 increased by 3%.

SSE

London-listed and Scotland-based energy company SSE plc is trading 2.5% higher to £17.81 at the time of writing on Thursday, after the firm upgraded its annual earnings projections, helped by the continued strong performance of its flexible generation plant.

The firm stated its targets to increase dividends by at least 5% per annum for the 2024-25 and 2025-26 fiscal years, and it will recommend a full-year dividend of 85.7 pence per share plus the retail price index for this fiscal year.