



# Weekly Market Update Monday 14<sup>th</sup> October 2019

## Weekly Highs and Lows:

GBP/EUR: 1.1084 / 1.1499

GBP/USD: 1.2195 / 1.2707

EUR/USD: 1.0941 / 1.1063

 GBP moves up 4% on Friday following Barclay & Barnier meeting.

- Johnson and Irish counterpart Varadkar see a pathway for a deal.
- Pizza Express hires advisors due to a dept of 655 million

#### **FX Movements**

having limited data releases it was a quiet start to the week. The UK did release their Halifax house prices in which the figure came in much lower than expected of -0.5% heading into the 1.1100 region. On Tuesday, the Pound lost more value as the Johnson-Merkel phone call was released and put sell pressure on Sterling seeing the pair hit monthly lows of 1.1084 by mid-week. On Thursday afternoon, the Pound jumps in the market on the back of Johnson and Irish PM Varadkar said a Brexit deal is possible seeing the price above 1.1300 but

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Thursday evening. On Friday the UK and EU continue their negotiations, in which we saw GBP rise further to 5-month highs against the Euro. It was down to Barnier and Barclay in which the markets were waiting for which showed more of a green light towards Brexit seeing the pair hit 1.1499/

- ➢ GBP/USD opened last week at 1.2335 having a similar affect with the Euro the Pound edged slightly lower on poor Halifax House price data which saw GBP move into the 1.22 region. With the Johnson and Merkel phone call released on negative terms the Pound lost value against the Greenback seeing rates go as low as 1.2195 (5-week lows). The Pound sat around this level in which the markets were waiting for Johnson and the EU negotiations on Friday in which saw positivity of a deal, but Johnson made some additional quotes. He mentioned he wouldn't promise that the N.I is leaving the EU Customs Union and that id Brexit deal cannot be reached, need to be ready for 'no-deal'. The pair reached a high of 1.2707 which is a near 4 month high.
- This week's Economic Calendar

#### Monday:

- 10:00 EU Industrial Production
- 13:10 UK BoE's Cunliffe speech

#### Tuesday:

- 09:30 UK Claimant Count
- 09:30 UK Average Earnings
- 09:30 UK ILO Unemployment Rate
- 10:00 EU ZEW Survey Economic Sentiment
- 13:30 UK BoE Vlieghe Speech

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#### Wednesday:

- 09:30 UK Retail Price Index
- 09:30 UK Producer Price Index
- 09:30 UK Core Consumer Price Index
- 09:30 UK Consumer Price Index
- 10:00 EU Trade Balance
- 10:00 EU Consumer Price Index
- 13:30 US Retail Sales
- 15:00 EU ECB's Lane Speech
- 19:00 US Fed's Beige Book
- 20:00 US Fed's Brainard Speech

#### Thursday:

- All Day European Council Summit on Brexit
- 09:30 UK Retails Sales
- 09:30 UK BoE Credit Conditions Survey
- 13:30 US Building Permits Change
- 13:30 US Initial Jobless Claims
- 14:15 US Industrial Production
- 19:00 US Fed's Bowman Speech
- 21:20 US Fed's Williams Speech

## Friday:

- 09:00 EU Current Account
- 16:00 US Fed's Kaplan Speech

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#### > The Fact of the Week

In 2009, a pigeon named Winston raced Telkom (South Africa's largest wireless telecoms provider) to see who could deliver 4GB of data to a location 60 miles away the fastest. By the time Winston arrived with the 4GB flash drive, Telkom had only transmitted 4% of the data.

#### In Today's News

# Typhoon Hagibis: Japan deploys 110,000 rescuers after worst storm in decades

More than 110,000 people are taking part in search and rescue operations after Typhoon Hagibis struck Japan on Saturday.

The typhoon - the worst storm to hit the country in decades - has left at least 37 dead, with 20 missing.

Typhoon Hagibis also caused the cancellation of three Rugby World Cup matches but the key match between Japan and Scotland went ahead.

Japan won 28-21 to reach the quarter-finals for the first time.

Afterwards, national team coach Jamie Joseph paid tribute to those affected.

**BBC NEWS** 

#### Facebook's digital currency dealt another blow

Facebook's Libra cryptocurrency must not go ahead until the firm proves it is safe and secure, according to a report by the G7 group seen by the BBC.

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In a blow to the social media giant, the world's biggest economies warned cryptocurrencies such as Libra pose a risk to the global financial system.

The draft report outlines nine major risks posed by such digital currencies.

It warns that even if Libra's backers address concerns, the project may not get approval from regulators.

The warning comes just days after payments giants Mastercard and Visa pulled out of the Libra project, citing regulatory uncertainty.

The G7 taskforce that produced the report includes senior officials from central banks, the International Monetary Fund (IMF) and the Financial Stability Board, which coordinates rules for the G20 economies.

**BBC NEWS** 

Have a great week.

The SAB Corporate Finance Team.

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