

Wednesday, 29th November 2017

Morning Round Up

UK and EU Agree Divorce Settlement

Media reports yesterday suggested that the UK and EU have reached an agreement on the settlement that UK has to pay prior to commencing trade talks. Speculation puts the figure at £45-£55bn which is significantly more than the initial £20bn offer originally made by the UK. This deal is likely to be acceptable to the EU. Sterling rallied against both the dollar and euro as a result. This should be positive for our names with significant sterling exposure including Ryanair and Bank of Ireland. The focus has now shifted to the Irish border issue. Theresa May will have to satisfy both the Irish government and the DUP, no easy task. She is scheduled to meet Jean-Claude Juncker next Monday. If she resolves the border issue by then the EU is likely to agree to set a date for the beginning of trade talks.

US Tax Reform Moves One Step Closer

The dollar rallied against most major currencies yesterday and the S&P500 moved up 1% in late trading as another hurdle to US tax reform was cleared yesterday. The Senate Budget Panel voted 12-11 to pass the bill to the Senate for voting on Thursday. This was after senior Republicans spent the day in the White House outlining some of their concerns to President Trump. Ron Johnson and Bob Corker have put aside objections related to business taxes and deficit impact for the time being. The bill will now be debated in advance of Thursday's vote and is expected to be heavily amended. If it passes the vote on Thursday, Senate and House representatives must then come up with a common bill as the House has already passed a different version. The White House is looking to get the finalised bill passed before year end. Some senior Republicans continue to have concerns around a possible fiscal trigger, deductions and tax breaks. If US tax reform passes it is an obvious positive for US equities into 2018.

North Korea Send Another Message

North Korea launched another ballistic missile overnight that landed about 250km from the Japanese coast. Equity markets briefly sold off before moving onto new highs. Another missile launch had been expected so the event turned out to be a damp squib. Mr Trump had a more measured response this time stating that they "would take care of it". This launch serves as a reminder that the situation is still ongoing. Despite the lack of market reaction this time, it signals again that the North Korean situation could remain a potential source of volatility as we move into 2018.

EURGBP - 4 Day Price Chart



Source: Bloomberg, CF Research November 2017

Key Upcoming Events

30/11/2017 OPEC meeting

Market View

Asian markets took their lead from their US counterparts and moved higher overnight, despite continuing weakness in Chinese consumer stocks and the North Korean missile launch. The developments in the US tax reform saga did most of the heavy lifting and has increased optimism regarding equity returns in 2018. The stronger dollar did not help commodities which were weak, especially oil which continues to sell off as we move closer to the OPEC meeting at the end of the week. Today focus will be on French Q3 GDP data, German CPI, Eurozone consumer, services and industrial confidence indicators. In the US we have the 2nd estimate of quarterly GDP and PCE, the Fed's preferred inflation measure.

Market Moves

	Value	Change	% Change	% Change YTD
Dow Jones	23837	255.93	1.09%	20.62%
S&P	2627	25.62	0.98%	17.34%
Nasdaq	6912	33.84	0.49%	28.41%

Nikkei	22,597	110.96	0.49%	18.22%
Hang Seng	29,624	-57.02	-0.19%	34.65%

Brent Oil	63.32	-0.29	-0.46%	11.44%
WTI Oil	57.66	-0.33	-0.57%	7.33%
Gold	1295	1.07	0.08%	12.86%

€/\$	1.1875	0.0035	0.30%	12.91%
€/£	0.8859	-0.0017	-0.20%	3.80%
£/\$	1.3404	0.0065	0.49%	8.62%

	Yield	Change
German 10 Year	0.37%	0.027%
UK 10 Year	1.32%	0.063%
US 10 Year	2.34%	0.011%

Irish 10 Year	0.59%	0.017%
Spain 10 Year	1.47%	0.007%
Italy 10 Year	1.78%	0.001%

Source: Bloomberg, CF Research November 2017

Cantor Publications & Resources



Weekly Trader

On Mondays, we release our weekly note in which we provide a view on equity markets for the coming days, and highlight a number of equities which we believe provide exposure to the important themes unfolding in the markets. Our in-house Investment Committee meets on a weekly basis to craft this strategy, thereby allowing clients to dynamically position portfolios to take advantage of the most up to date market developments.

[Click Here](#)



Monthly Investment Journal

Each month our Private Client and Research departments collaborate to issue a publication which highlights the performance of our flagship products, funds and our Core Portfolio, including the Green Effects fund, most recent private equity deals and structured product investment opportunities.

[Click Here](#)



Investment Forum

Through our investment Forum we bring you the latest market news, investment insights and a series of informative articles from our experts.

[Click here](#)

Regulatory Information

Issuer Descriptions: (Source: Bloomberg)

Historical Recommendation:

http://www.cantorfitzgerald.ie/research_disclosures.php

This material is approved for distribution in Ireland by Cantor Fitzgerald Ireland Ltd. It is intended for Irish retail clients only and is not intended for distribution to, or use by, any person in any country where such distribution or use would be contrary to local law or regulation. Cantor Fitzgerald Ireland Ltd ("CFIL") is regulated by the Central Bank of Ireland. Cantor Fitzgerald Ireland Ltd is a member firm of the Irish Stock Exchange and the London Stock Exchange.

Where CFIL wishes to make this and other Cantor Fitzgerald research available to Retail clients, such information is provided without liability and in accordance with our terms and conditions that are available on the CFIL website.

No report is intended to and does not constitute a personal recommendation or investment advice nor does it provide the sole basis for any evaluation of the securities that may be the subject matter of the report. Specifically, the information contained in this report should not be taken as an offer or solicitation of investment advice, or to encourage the purchase or sale of any particular security. Not all recommendations are necessarily suitable for all investors and CFIL recommends that specific advice should always be sought prior to investment, based on the particular circumstances of the investor either from your CFIL investment adviser or another investment adviser.

CFIL takes all responsibility to ensure that reasonable efforts are made to present accurate information but CFIL gives no warranty or guarantee as to, and do not accept responsibility for, the correctness, completeness, timeliness or accuracy of the information provided or its transmission. This is entirely at the risk of the recipient of the report. Nor shall CFIL, its subsidiaries, affiliates or parent company or any of their employees, directors or agents, be liable for any losses, damages, costs, claims, demands or expenses of any kind whatsoever, whether direct or indirect, suffered or incurred in consequence of any use of, or reliance upon, the information. Any person acting on the information contained in this report does so entirely at his or her own risk.

All estimates, views and opinions included in this research note constitute CANTOR IRELAND's judgment as of the date of the note but may be subject to change without notice. Changes to assumptions may have a material impact on any recommendations made herein.

Unless specifically indicated to the contrary this research note has not been disclosed to the covered issuer(s) in advance of publication.

Past performance is not a reliable guide to future performance. The value of your investment may go down as well as up. Investments denominated in foreign currencies are subject to fluctuations in exchange rates, which may have an adverse effect on the value of the investments, sale proceeds, and on dividend or interest income. The income you get from your investment may go down as well as up. Figures quoted are estimates only; they are not a reliable guide to the future performance of this investment.

[Conflicts of Interest & Share Ownership Policy](#)

It is noted that research analysts' compensation is impacted upon by overall firm profitability and accordingly may be affected to some extent by revenues arising from other CANTOR IRELAND business units including Fund Management and Stock broking. Revenues in these business units may derive in part from the recommendations or views in this report. Notwithstanding, CANTOR IRELAND is satisfied that the objectivity of views and recommendations contained in this note has not been compromised. Nonetheless CANTOR IRELAND is satisfied that the impartiality of research, views and recommendations remains assured.

Analyst Certification

Each research analyst responsible for the content of this research note, in whole or in part, certifies that: (1) all of the views expressed accurately reflect his or her personal views about those securities or issuers; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that research analyst in the research note.



Dublin: 75 St. Stephen's Green, Dublin 2. Tel: +353 1 633 3633.

email : ireland@cantor.com web : www.cantorfitzgerald.ie



Twitter : @cantorireland



LinkedIn : Cantor Fitzgerald Ireland