Daily Note

Views, news and topics from today's markets

Friday, 21st September 2018

Morning Round Up

Ryanair AGM reassures shareholders

Having attended yesterdays AGM we remain confident in managements ability into the future. Both Chairman, David Bonderman, and Independent Non Executive Director, Kyran McLaughlin, were re-elected despite concerns over the extent of their tenures. Emer Daly and Roisin Brennan were welcomed as new members to the board. Profit guidance remains unchanged, with M'OL projecting a 10% fall in earnings this year due to the combination of higher fuel and labour costs. Management was confident in the progress being made with unions. It expects union agreements to be fully signed by Christmas, noting progress in Germany and Spain. M'OL was keen to highlight that media and certain members of various unions have exaggerated the significance in the disagreements, citing their openness for local contracts across countries. M'OL confirmed strike action is likely in the short term as it will not bow to proposals that will jeopardise its business model. Again management flagged the risk of a hard Brexit. Despite the broadly positive morning the stock fell 2% yesterday. This is likely to have been driven by M'OL's comments regarding his own future as CEO. Although he told reporters of his enjoyment running the company he was unsure if he would like to remain as CEO in five years time adding the possibility of moving to a 12 month contract. We maintain our Outperform rating and continue to advise clients to pick up the stock at these levels. Patience is required from investors in the short term.

Salzburg Summit ends with little progress

The EU leaders summit in Salzburg concluded yesterday after a difficult two days of negotiating. May leaves the Austrian city having achieve very little as the positive tones from earlier in the week have soured. May again ruled out a sea border and promised to issue "our own" solution shortly, however, she did recognise the importance of not having border points and checks on the Island of Ireland. European Council President, Donald Tusk, dubbed the October leaders' summit (provisionally set for 17th-18th of October) the moment of truth for Brexit where there must be "maximum progress". Macron finished the summit by calling brexiteers "liars" and warned that "Brexit shows us one thing: it's not that easy to exit European Union,". The increasingly negative outlook should have caused the pound to weaken as the summit progressed, however, likely due to strong UK data it held ground in the low £0.88 up until Thursday. The expected weakening began late in Thursday's session and continued into Friday, crossing above £0.89. Brexits next test will be the Conservative Party Conference at the end of this month. May would have been hoping to have had the EU largely on board with her Chequers deal going into the conference. The current state of affairs leaving her in a much weaker position and open to challenge from the Brexiteer.

Applegreen posts solid half year results

Applegreen released it's results for the first half of the year this morning however shares remain suspended with the acquisition of Welcome Break ongoing. The performance for the first half of the year was broadly positive despite the severe weather conditions in March. Revenue increased by 27% to €854.9m, and Adj Ebitda increased by 17% to €19.4m, however profit before tax was flat at €10.1m. Like for like sales grew by 3.5% from the same period las year while acquisitions in 2017 further added to growth. The estate grew by 26 sites to 368 sites in total with 7 new sites in the Republic of Ireland, 15 in the UK and 4 in the US. CEO, Bob Etchingham, cited performance as "robust notwithstanding the difficult trading conditions caused by the exceptional weather in March". Since the 30th of June it has added 4 stand alone sites as well as completing the acquisitions of a 7 site group based in in South Carolina and a network of 43 Petrol Filling Station sites in Florida. These were solid results however the acquisition of Welcome Break will drive performance once trading reopens.

Source: Bloomberg, CF Research September 2018



Key Upcoming Events

21/09/2018 European and US PMI 26/09/2018 Fed Interest Rate Decision 30/09/2018 Conservative Party Conference

Market View

US markets have continued to push forward with the S&P 500 and the Dow reaching all time highs yesterday evening. European markets have opened up strongly this morning buoyed by the possibility of reduced tariffs on exports to China. Sterling has held up relatively well (EUR/USD 0.89) despite the EU criticising May's Brexit plan and the failure regarding the back stop agreement. Dollar weakness has continued with EUR/USD now trading at 1.178. The US 10 year yield remains close to four month highs at 3.07%. Prior to OPEC meeting this weekend oil continues to post gains.

Market Moves						
	Value	Change	% Change	% Change YTD		
Dow Jones	26657	251.22	0.95%	7.84%		
S&P	2931	22.80	0.78%	9.62%		
Nasdaq	8028	78.19	0.98%	16.29%		
Nikkei	23870	195.00	0.82%	4.85%		
Hang Seng	27909	431.30	1.57%	-6.72%		
Brent Oil	78.88	0.18	0.23%	17.96%		
WTI Oil	70.45	0.13	0.18%	16.60%		
Gold	1211	3.54	0.29%	-7.07%		
€/\$	1.1798	0.00	0.18%	-1.72%		
€/£	0.8907	0.00	0.34%	0.30%		
£/\$	1.3246	0.00	-0.14%	-1.98%		
			Yield	Change		
German 10 Year			0.48	0.01		
UK 10 Year			1.595	0.01		
US 10 Year			3.0795	0.02		
Irish 10 Year			0.972	0.01		
Spain 10 Year			1.513	3 0.00		
Italy 10 Year			2.87	-0.0130		
Source: Plea	mbora CE I	Dooooroh Sc	ntember 2018			

Source: Bloomberg, CF Research September 2018

Cantor Publications & Resources

Weekly Trader	CANTON Titugerald			
Wordsy, 28th November 2016				
Key Themes this Week	Nepr Manus	Lat free		
Currency reason needs in fease Last sent san clangts nows indensitient rationary patients.	· ·	Volue 1	(new	1.80
Lad werk say transition on a developed natural common, particularly the US state and the work, and we exact high levels of voteths to be	2m	1810	100.00	1.14
	14.0	-	-	127
robust economic data raileases, making Friday's Non Farm Paynil a key minetone atead of the December 14th Fed meeting, Converses, the euro-	Reality .		-	120
atoming from next week's taken referencian and the re-can of the Automa Devolverial electron, both basics the potential to pread the future.	of the	124	2.00	1.10
Autoral Prospectal Beccol, con railing the politice to repaid the future which of the Europea	but .	1924	250	479
	840	670	4.00	40
Rely taken to the polls Indexe are set to rate in the Constitutional Information and Earlies in a				
colour and the Prime Margan Materia Resources in the provided to the story of a	100.0	10.102	20.0	
			42.3	
We note to sole to begang in the party, some give specifie that this could be the first stee in taken authors prevents to the possible risks and starting	n.Sang	20,654	40.9	211
down the road to its own livest share whereaster on EU ner bench. The	8101064	- 24	-08	4.27
	And In	44.41	20	412
selling pressure and could push the single currency below support of \$7.05 ansated the shifts				
	CLOP DI	41.40	-034	-4.52
Non Farm Proposite the land learning for a Secondar Islan?	0.4	194	-10.01	-1.82
Entry sees the final Nor-Fairs Payral making of the poor is the US- Vitably interacting has been resulted in recent seeds, lagging seesa for				
	204	10.034	0.2	1.50
would almost certainly centent the Ped's decision to cake rates on the 143	Cesw	223	2.3	837
given have bacqued acquily mathetic are of pressent.	CRE Have	47.22	4.01	117
	Exvision	1891	08	6.29
	Levill ¹	0.804	0.0	6.12
OPEC Meeting and Oil Prices	081680	1247	- 048	4.1.2
Of prices have ensured votile shead of Westweaks's scheduled meeting induses OTIC members and the planned decasions to agree the details			160	Owe
of a selucian in subpl among markets. A sliple alarent of DNIC	Deman 13 Tear		6.210	-43
meetings are a series of contradictory headhest enanding from members, and this meeting is no different, with namous circulation that they and the	04.107mar		1.306	-4.3
were where a production, sets to be followed up by further names to the control. Through there's members are methods to bood proces, and as	45 YO THAT		2328	6.2
	Inter 15 Faur			-4.9
india, fors smains to possibly that nambers will be to aprecipion the implementsy makine and policies ofference. Advent of a deal being	Spain 10 Fear		1.514	-4.2
impacting manus are potent observer, search in a our tang agreet, we martain our view that of prices will average c SH through you- and	Edy TI Yest		1.64	
en.	M		125	
	674		1.14	

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)

Ryanair: Ryanair Holdings plc provides low fare passenger airline services to destinations in Europe.

Applegreen: Applegreen operates service stations in Ireland, the UK and US.

Historical Recommendation:

Ryanair: Ryanair was added to the Core Portfolio at inception in and have had an Outperform recommendation since then

Applegreen: We have initiated cover on Applegreen at Market Perform on the 14/08/17.

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 retails 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 recommendations 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 purchased or sale of any particular security. Not all recommendations are necessarily suitable for all investors and CFIL recommend 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 to 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 affect 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 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.

We have assessed the publication and have classed it as Research under MIFID II. All charges in relation to this publication will be borne by Cantor



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

Cantor Fitzgerald Ireland Ltd 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..