

Weekly Trader

Upcoming Market Opportunities and Events

CANTOR
Fitzgerald

Monday, 6th April 2020

Key Themes This Week

The Week Ahead

Despite the intensity of news-flow over the last week global equity markets finished the week virtually unchanged from the week previously. The battle between whether the current dire economic situation is priced in and what, if any is the path to recovery continues.

Without doubt the slew of economic data last week highlighted the impact Covid-19 is having on the global economy with Weekly Jobless Claims in the US of 6.6m adding to the previous week's 3.28m and US Non-Farm Payrolls showing the loss of 701,000 jobs from a revised 275,000 adds the month before. Meanwhile in Europe, PMI readings hit levels not seen since the financial crisis over 10 years ago while in Asia, Japanese data also continued to deteriorate.

Another headwind to hit markets last week was the increasing number of companies led by banks (under regulatory instruction) who announced the cancellation or deferral of dividend payments and share buybacks. This is a particularly challenging issue for investors given equities were the main source of investment income in the current era of negative deposit rates and bond yields.

What this latter development highlights is the need for investors to be extremely selective in the equity positions they assume in their portfolio as the hunt for yield persists. In an environment where the timing of the recovery from the current pandemic is uncertain, investors need to focus on those companies which boast strong and consistent earnings growth but more importantly strong balance sheets with low debt levels. These are the stocks that can provide investors with not just the potential for capital appreciation over the medium term, but which also reward investors with a dividend stream over the same time frame.

We are not suggesting that the worst of the market volatility is behind us, indeed we expect market volatility to continue until we see a meaningful reversal in the cases and fatalities from the virus. The difficulty here is that no one can say when this trend reversal will occur however as we have stated here over the last few weeks, selecting companies with the characteristics outlined, will prove to be rewarding over the next 6 to 12 months.

Stocks that meet the key criteria mentioned above that should be bought or added to in any further period of market weakness include the Irish industrial names of **CRH**, **Smurfit Kappa** and **Kingspan**, technology names such as **Microsoft**, **Intel**, **SAP**, and **Apple**, pharmaceutical stocks **Pfizer** and **Sanofi**, consumer staples names such as **Procter & Gamble** (covered here), **Coca-Cola** and **Danone**, while the renewable names of **Greencoat Renewables** (covered here) and **Siemens Gamesa Renewables** offer exposure to a longer term thematic investment style. Finally while the travel & leisure sector continues to be in the eye of the storm, we see an opportunity in the sector leader **Ryanair** which has the balance sheet strength to survive the current turmoil.

Major Markets Last Week

	Value	Change	% Move
Dow	21053	-584	-2.70%
S&P	2489	-52	-2.08%
Nasdaq	7373	-129	-1.72%
MSCI UK	12125	-386	-3.09%
DAX	9900	84	0.86%
ISEQ	4785	-158	-3.21%
Nikkei	18576	-508	-2.67%
Hang.Seng	23703	527	2.28%
STOXX 600	318	3	1.00%
Brent Oil	33.6	10.84	47.63%
Crude Oil	27.77	7.68	38.23%
Gold	1629	6.55	0.40%
Silver	14.5708	0.52	3.72%
Copper	221.15	5.60	2.60%
Euro/USD	1.0811	-0.02	-2.15%
Euro/GBP	0.8813	-0.01	-0.96%
GBP/USD	1.2267	-0.01	-1.18%
		Value	Change
German 10 Year		-0.40%	0.09
UK 10 Year		0.36%	0.02
US 10 Year		0.65%	-0.08
Irish 10 Year		0.25%	0.21
Spain 10 Year		0.75%	0.15
Italy 10 Year		1.54%	0.06
BoE		0.1	0.00
ECB		0.00	0.00
Fed		0.25	0.00

All data sourced from Bloomberg

Opportunities this week

CFI Research Team

iShares Edge MSCI World Value Factor UCITS ETF



- The ETF seeks to track the performance of an index composed of a sub-set of MSCI World stocks that capture undervalued stocks relative to their fundamentals
- The MSCI World Enhanced Value Index captures large and mid-cap stocks across 23 Developed Markets
- Broad based exposure to a basket of 397 global stocks
- The value investment style characteristics applied in the construction of the index are defined using three variables:
 - Price-to-Book Value
 - Price-to-Forward Earnings
 - Enterprise Value to-Cash flow from Operations
- Top 5 holdings: Intel Corp, AT&T, IBM Corp, British American Tobacco & Micron Technology
- The ETF is available in a accumulating or distributing share class
- [Link to Factsheet](#)
- [Link to KIID](#)

Total Return	1 Month	3 Month	YTD
IWVL LN	-16.5%	-27.6%	-27.6%

Ticker	TER	Yield
IWVL LN	0.30%	-

Greencoat Renewables (GRP ID)

Closing Price: €1.13



- Greencoat renewable's most recent results reported that the group generated €40.6m of net cash flow via 15 wind farms with total installed capacity now of 462MW. Company net asset value stayed steady at €1.03c per share despite an additional 251m shares in issuance
- Group fair value of investments increased by €130m as Greencoat added 3 new wind farms over the period and group debt declined by €125m as equity raised was also used to pay down some debt. Fair value of Greencoat Renewables investments at present is €1.02bn and their group net debt is €367m
- Greencoat Renewables has recently agreed to buy a portfolio of operating wind assets in France for total consideration of EU30.3 million. The three windfarms come with 16-year long term fixed rate project finance and have an overall net enterprise value of EU95 million. This will be Greencoats first non-Irish venture and will add 51.9MW of wind capacity.
- Following the acquisition, Greencoats total installed capacity base will increase to 528.1MW
- In June 2019, the Irish Government announced its Climate Action Policy committing the country to generating 70 per cent of electricity from renewables by 2030 and is projected to create more than €12bn of further investment opportunities
- Greencoat is less impacted by economic uncertainty as c97% of revenues are contracted until the end of 2027. This helps to give a level of comfort that the dividend will be unaffected by global developments. Greencoat is targeting a dividend of 6.06 per share in 2020
- Our March 2021 fair value is €1.25 and we retain our "Buy" recommendation.

Key Metrics	2020e
Revenue (€ Mn)	44.0
EPS (€)	0.07
Price/ Earnings	16.89x
Div Yield	5.34%

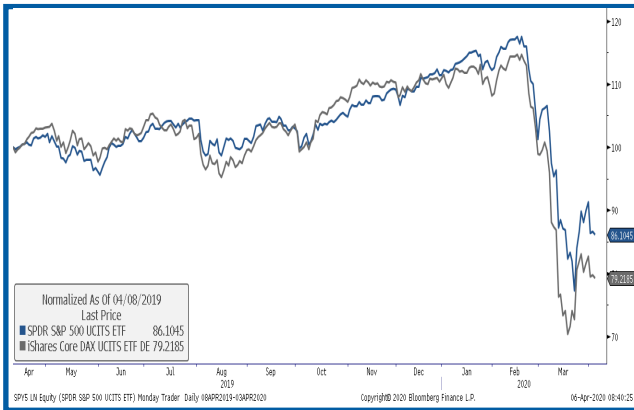
Share Price Return	1 Mth	3 Mth	YTD
GLB ID	-3.42%	-6.61%	-4.64%

Source: All data & charts from Bloomberg & CFI

Opportunities this week

CFI Research Team

US & European Passive Equity Exposure



SPDR® S&P® 500 UCITS ETF

- The S&P 500 Index is a float-adjusted, capitalization weighted index of the top 500 companies in the US market.
- The Index is designed to provide exposure to the large cap segment of the U.S. equities market and spans over 24 separate industry groups.
- Top 5 holdings: Microsoft, Apple, Amazon, Facebook & Alphabet.
- Ticker: SPY5 LN
- [Link to Factsheet](#)
- [Link to KIID](#)

iShares Core DAX® UCITS ETF

- The German Stock Index is a total return index of 30 selected German blue chip stocks
- The components are weighted by free float market capitalization with a cap of 10%
- Top 5 holdings: SAP, Linde Plc, Allianz, Siemens & Bayer.
- Ticker: DAXEX GY
- [Link to Factsheet](#)
- [Link to KIID](#)

Total Return	1 Mth	3 Mth	YTD
SPY5 LN	-11.9%	-12.3%	-19.5%
DAXEX GY	-13.8%	-24.3%	-25.8%

	DIV	TER
SPY5 LN	2.02%	0.09%
DAXEX GY	-	0.16%

Source: All data & charts from Bloomberg & CFI

Cantor Core Portfolio - In Detail

Cantor Core Portfolio

Date: 03/04/2020



Performance YTD	%
Portfolio	-23.7%
Benchmark	-22.8%
Relative Performance	-0.9%
P/E Ratio	14.85x
Dividend Yield	3.6%
ESMA Rating	6
Beta	0.95

Sector	Portfolio	Benchmark	+ / -
Consumer Discretionary	12%	10%	
Consumer Staples	7%	11%	
Energy	3%	5%	
Financials	8%	16%	
Health Care	8%	14%	
Industrials	14%	12%	
Information Technology	11%	13%	
Communication Services	12%	7%	
Utilities	9%	4%	
Materials	9%	6%	
Real Estate	4%	2%	
Emerging Markets	3%	0%	

FX	Portfolio	Benchmark
EUR	43%	32%
GBP	15%	15%
USD	42%	40%
Other	0%	14%

Currency YTD %		
GBP	-4.03%	
USD	4.10%	

Benchmark

Weighted Average Contribution

Index	Currency	PE	Outlook	Weighting	Total Return Local	Weekly Return	Price	Total Contribution
STOXX Europe 600	EUR	15	Neutral	60%	-25.1%	-0.4%	309	-15.1%
S&P 500	USD	16	Neutral	40%	-22.6%	-2.0%	2489	-7.8%
Total				100%				-22.82%

Core Portfolio

Weighted Average Contribution

Stock	Currency	Yield*	Hold /Sold	Sector	Weighting	Total Return Local	Weekly Return	Price	Total Contribution
Alphabet Inc	USD	0.0%	H	Communication Services	2%	-18.4%	-1.6%	1093	-0.3%
Verizon Communications Inc	USD	5.0%	H	Communication Services	5%	-10.0%	3.7%	54.70	-0.3%
BT Group*	GBP	11.5%	H	Communication Services	5%	-42.2%	-6.8%	1.11	-2.2%
Dalata Hotel Group Plc	EUR	3.9%	H	Consumer Discretionary	2%	-49.9%	10.7%	2.58	-1.0%
Amazon.Com Inc	USD	0.0%	H	Consumer Discretionary	4%	3.2%	0.3%	1907	0.3%
McDonald'S Corp	USD	3.1%	H	Consumer Discretionary	3%	-18.3%	-2.2%	160.33	-0.4%
Carnival	USD	0.0%	H	Consumer Discretionary	3%	-83.1%	-41.1%	8.49	-2.5%
Glanbia Plc	EUR	2.9%	H	Consumer Staples	4%	-23.5%	-20.3%	7.72	-0.9%
Danone	EUR	3.9%	H	Consumer Staples	3%	-23.5%	1.4%	56.52	-0.7%
Royal Dutch Shell Plc*	GBP	10.2%	H	Energy	3%	-35.5%	15.3%	14.18	-1.4%
Total Sa	EUR	8.8%	S	Energy	0%	-29.6%	6.1%	33.53	-0.2%
Allianz Se	EUR	6.7%	H	Financials	4%	-31.6%	-2.9%	149.32	-1.3%
ING Groep Nv	EUR	0.0%	H	Financials	4%	-56.8%	-15.7%	4.62	-2.3%
Sanofi	EUR	4.4%	H	Health Care	3%	-9.2%	5.7%	81.36	-0.3%
Pfizer Inc	USD	5.0%	H	Health Care	5%	-13.3%	8.9%	33.64	-0.5%
Vinci Sa	EUR	4.5%	H	Industrials	4%	-35.5%	-10.9%	63.84	-1.4%
Siemens Gamesa Renewable Energy	EUR	0.4%	H	Industrials	3%	-13.7%	-0.9%	13.50	-0.4%
DCC Plc	GBP	3.0%	H	Industrials	4%	-24.8%	-1.6%	49.21	-1.1%
Fedex Corp	USD	2.2%	H	Industrials	3%	-27.4%	-9.4%	109.22	-0.7%
SAP Se	EUR	1.7%	H	Information Technology	4%	-19.1%	-2.5%	97.35	-0.8%
Paypal Holdings Inc	USD	0.0%	H	Information Technology	4%	-14.6%	-1.2%	92.39	-0.4%
Microsoft Corp	USD	1.3%	H	Information Technology	3%	-2.2%	2.8%	153.83	0.1%
Smurfit Kappa Group Plc	EUR	4.4%	H	Materials	3%	-27.9%	0.7%	24.70	-0.8%
Newmont Corp	USD	1.7%	H	Materials	3%	8.8%	1.7%	47.15	0.4%
Invesco Physical Gold ETC	USD	0.0%	H	Materials	3%	6.1%	-0.7%	156.71	0.1%
Kennedy Wilson Holdings Inc	USD	6.8%	H	Real Estate	4%	-42.7%	-6.1%	12.57	-1.6%
Engie	EUR	3.5%	H	Utilities	5%	-39.6%	-11.7%	8.70	-2.0%
Greencoat Renewables Plc	EUR	6.0%	H	Utilities	4%	-3.4%	-2.2%	1.13	-0.1%
JPMorgan Emerging Markets Trust	GBP	1.1%	H	Emerging Markets	3%	-25.0%	1.0%	7.93	-0.8%
Total					100%				-23.67%

All data taken from Bloomberg up until 3/04/2020.

Warning : Past performance is not a reliable guide to future performance

Warning : The value of your investment may go down as well as up.

*Red Denotes Deletions

*Green Denotes Additions

*Yields are based on the mean of analyst forecast

This Weeks Market Events

Monday	Tuesday	Wednesday	Thursday	Friday
Corporate	Corporate	Corporate	Corporate	Corporate
			Carnival Plc	
Economic	Economic	Economic	Economic	Economic
German Factory Orders MoM (Feb) Irish Industrial Production MoM (Feb)	German Industrial Production SA MoM (Feb) US JOLTS Job Openings		UK Manufacturing Production UK Industrial Production Italian Industrial Production US Initial Jobless Claims US Wholesale Inventories MoM U. of Mich. Sentiment US PPI Final Demand MoM	French Industrial Production Spanish Unemployment Rate US CPI

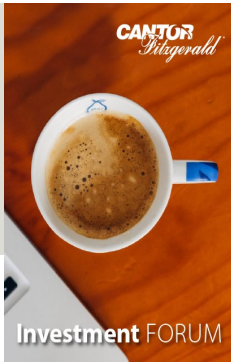
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Alphabet: Alphabet provides web-based search, advertisement, maps, software applications, mobile operating systems, consumer content and other software services.

Amazon: Amazon is an online retailer that offers a wide range of products.

Dalata Hotel Group: Dalata Hotel Group owns and operates as a chain of hotels.

Danone: Danone operates as a food processing company.

DCC: DCC is a sales, marketing, distribution and business support services company.

Glanbia: Glanbia plc is an international dairy, consumer foods, and nutritional products company. The Company conducts operations primarily in Ireland, the United Kingdom, and the United States

Microsoft: Microsoft Corporation develops, manufactures, licenses, sells, and supports software products.

PayPal: PayPal operates a technology platform that enables digital and mobile payments on behalf of customers and merchants

Pfizer: Pfizer Inc. operates as a pharmaceutical company. The Company offers medicines, vaccines, medical devices, and consumer healthcare products for oncology, inflammation, cardiovascular, and other therapeutic areas

Royal Dutch Shell: Royal Dutch Shell explores, produces, and refines petroleum

SAP: SAP is a software corporation that makes enterprise software

Smurfit Kappa: Smurfit Kappa manufactures paper packaging products

Verizon: Verizon Communications Inc. is an integrated telecommunications company that provides wire line voice and data services, wireless services, internet services, and published directory information.

VINCI SA: VINCI is a global player in concessions and construction with expertise in building, civil, hydraulic, and electrical engineering

Total: TOTAL S.A. explores for, produces, refines, transports, and markets oil and natural gas. The Company also operates a chemical division which produces polypropylene, polyethylene, polystyrene, rubber, paint, ink, adhesives, and resins.

Newmont Goldcorp: Newmont acquires, explores, and develops mineral properties.

Greencoat Renewables: Greencoat operates as an investment company. The Company invests in wind and renewable electricity generation assets.

Sanofi: Sanofi operates as a pharmaceutical company. The Company manufactures prescription pharmaceuticals and vaccines. Sanofi also develops cardiovascular, thrombosis, metabolic disorder, central nervous system, and oncology medicines and drugs.

Engie: Engie is a global energy and services utility company

FedEx: FedEx delivers packages and freight to multiple countries and territories through an integrated global network

Kennedy Wilson: Kennedy-Wilson Holdings, Inc. operates as a global real estate investment company

ING Groep: ING Groep is a global financial institution providing retail and wholesale financial services.

BT Group: BT Group is a UK based telecommunications company.

Carnival: Carnival operates and owns cruise ships

Siemens Gamesa: SGRE designs and manufactures renewables energy equipment

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