

Weekly Trader

Upcoming Market Opportunities and Events

CANTOR
Fitzgerald

Monday, 8th June 2020

Key Themes This Week

The Week Ahead

Global equity markets rallied strongly last week to extend their recent gains as a mix of central bank policy measures, fiscal stimulus, better economic data and an acceleration in the pace of reopening of economies all contributed. European markets outperformed on the week gaining circa 10% compared to gains of on average 5.5% for the major US indices. Once again the move higher was propelled by value stocks which continue to make up lost ground following almost a year of underperformance compared to growth stocks.

The most significant driver of this European outperformance was the move by the ECB to increase the size of its Pandemic Emergency Purchase Programme (PEPP) by €600bn which was larger than even the most optimistic expectation of a €500bn increase. This increase brought the size of the programme to €1.35 trillion however coupled with this bigger than expected increase was the decision by The Central Bank to extend the duration of the programme from December 2020 to at least June 2021 or longer if required. The ECB also committed to reinvesting the proceeds of maturing bonds to the end of 2022 in yet another sign of the banks intent on preserving the future of the single currency bloc. In the past the ECB was accused of avoiding taking bold and dramatic action, but in this instance it has shown a resolve never seen before.

Coupled with this positive move, the German government signed off on an additional €130bn fiscal stimulus package to bring its total package to €1.3 trillion thereby shattering the image of it being the most frugal member state within the EU.

These are by any measure exceptional moves and have provided further evidence to equity markets that global central banks and governments are, to borrow a phrase from former ECB President Draghi, prepared to do "whatever it takes", to save the global economy from the effects of coronavirus.

Adding to this positive tone for markets was the ongoing recovery in economic data releases with the surprising addition of 2.5m jobs in the latest US Non-Farm Payroll release compared to expectations for job losses of over 8m. While it may take a few months to confirm the sustainability of this pace of job recovery, there is no doubt that it fits into the ever increasing narrative that economic recovery is being boosted by the quicker than expected pace in the easing of lockdown restrictions across the globe.

All the above also fits in nicely with our recommendations in last weeks trader which focused on the more value orientated areas of the market and leads us to advise that this course of action should continue for the next number of weeks at least given the aggressive backstop being provided by central banks and governments alike. In this regard the main focus next week will be on the US Federal Reserve which meets on Wednesday for its scheduled policy meeting. While no new additional measures are expected to be announced, it would be surprising if Chairman Powell fails to underscore his previous commitment of further policy measures should they be required.

This week we once again focus on the more value focused market sectors with the inclusion of a European Bank ETF and German industrial group Siemens. We also include an interesting way to play the clean energy theme along with our usual coverage of the MIM Multi Asset Funds which continue to significantly outperform their competitors.

Major Markets Last Week

	Value	Change	% Move
Dow	27,111	1727.8	6.81%
S&P	3,194	149.6	4.91%
Nasdaq	9,814	324.2	3.42%

MSCI UK	14,477	692.8	5.03%
DAX	12,848	1066.6	9.05%
ISEQ	6,359	365.1	6.09%

Nikkei	23,178	1115.71	5.06%
Hang Seng	24,776	1043.10	4.40%
STOXX 600	375	24.96	7.12%

Brent Oil	42.92	4.60	12.00%
Crude Oil	39.92	4.48	12.64%
Gold	1691	-48.47	-2.79%

Silver	17.64	-0.66	-3.61%
Copper	255.4	8.35	3.38%

Euro/USD	1.1284	0.01	1.33%
Euro/GBP	0.8888	0.00	-0.29%
GBP/USD	1.2695	0.02	1.63%

	Value	Change
German 10 Year	-0.29%	0.12
UK 10 Year	0.35%	0.17
US 10 Year	0.90%	0.24

Irish 10 Year	0.15%	0.07
Spain 10 Year	0.55%	-0.03
Italy 10 Year	1.45%	-0.04

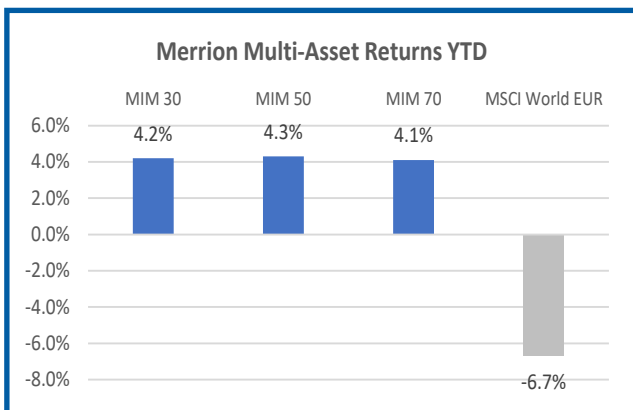
BoE	0.1	0.00
ECB	0.00	0.00
Fed	0.25	0.00

All data sourced from Bloomberg

Opportunities this week

CFI Research Team

Merrion Investment Managers Multi Asset Range (30/50/70)



Total Return	YTD
MIM 30	4.2%
MIM 50	4.3%
MIM 70	4.1%
MSCI World (EUR)	-6.7%

Returns as of the 4/06/2020
Gross Returns

- MIM multi asset (30/50/70) funds offer well-diversified exposure with the ability to perform in different market environments. Year to date the funds have outperformed peers and benchmarks during both strong and weak market episodes
- Excellent choice across the range, to suit the different risk profiles of our client base
- Diversification with active management can deliver very strong returns with reduced volatility in times of market stress
- The funds' positioning remains largely unchanged over the week, remaining at the upper end of their asset allocation range for growth assets
- Within the funds' alternative exposure, MIM have continued to add protection via index put options. This strategy enables them to maintain their positive bias whilst giving some downside protection
- The team continue to have a positive outlook, with rebounding economic activity evident in all regions once lockdowns are eased, and increasing calls globally for an acceleration of easing of restrictions
- MIM are watching closely for evidence of the second wave of Covid -19 but fortunately there is no evidence of such as yet
- The US-China situation together with Brexit have the potential to generate further volatility over the summer, all of which points to the continued benefit of MIM's active approach, driven by a strong, coherent, and well-tested investment process

iShares Global Clean Energy UCITS ETF

Closing Price: €6.47



Total Return	1 Mth	3 Mth	YTD
INRG IM	14.81%	-4.24%	6.62%

Ticker	DIV	TER
INRG IM	0.92%	0.65%

Source: All data & charts from Bloomberg & CFI

- The focus on the need for cleaner, more environmentally friendly and sustainable energy has gathered momentum over the past year.
- Equally, it is becoming the focus for national governments as they seek to meet their carbon omissions targets and has become a focal point for future infrastructure spending and investment.
- The following ETF provides clients with a focused investment alternative on this critically important theme
- The Fund seeks to track the performance of an index composed of the largest global companies involved in the clean energy sector
- Broad based exposure to a basket of 30 global Clean Energy stocks
- Top 5 holdings: Solaredge Technologies Inc, Enphase Energy Inc, Companhia Energetica Minas Gerais, First Solar Inc, Xinyi Solar Holdings Ltd
- The ETF is available in a accumulating or distributing share class
- [Link to Factsheet](#)
- [Link to KIID](#)

Opportunities this week

CFI Research Team

Siemens AG (SIE GY)

Closing Price €108.54



- German industrial group Siemens engages in the production and supply of systems for power generation, power transmission and medical diagnostics
- The company's increasing focus is on the 'Smart Infrastructure' areas of Decarbonisation, Sustainability and Digitalization which are estimated to be a €150bn global market
- These areas of focus are significant as they are the areas to be targeted by the pandemic related ramping up of fiscal spend by European governments
- Equally, Siemens medical diagnostics division, Siemens Healthineers, is one of the leading companies in the areas of digital medicine and diagnostics which includes specialist testing
- Siemens operates globally with revenues split 51% Europe/Africa/Middle East, 27.5% Americas and 21.5% Asia/Australia
- Full year revenues to September 2020 are expected to decline by 25% to €65.8bn as a result of coronavirus disruption, but rebound to €69.6bn and €73.2bn in 2021 and 2022 respectively
- The shares trade on a FY 2020 P/E of 20.4x falling to 16.7x in 2021. While above the historic average of 14.5x, the increasing focus on high growth areas justifies the current higher multiple
- The shares also offer an attractive dividend yield of 3.6%

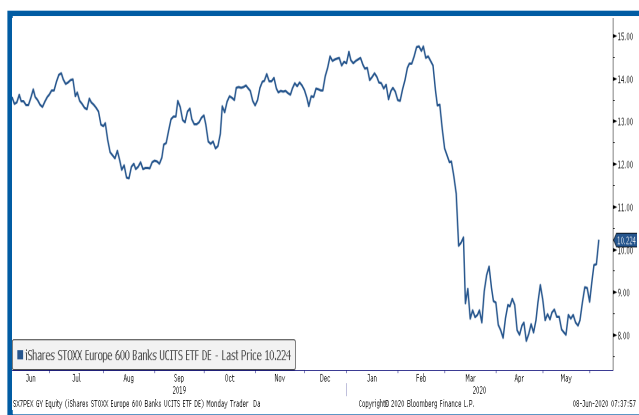
Key Metrics	2020e	2021e	2022e
Revenue (£'Mn)	65,797	69,605	73,170
EPS (£)	5.18	6.56	7.86
Price/ Earnings	20.97x	16.54x	13.81x
Div Yield	3.32%	3.55%	3.66%

Total Return	1 Mth	3 Mth	YTD
SIE GY	34.33%	18.03%	-6.86%

Source: All data & charts from Bloomberg & CFI

iShares STOXX Europe 600 Banks UCITS ETF

Closing Price: €10.22



- The European banking sector has been one of the performing sectors over the last 10 years as it struggled to recover from the Great Financial Crisis, anaemic eurozone growth, and negative bond yields.
- Recent moves by the ECB and national government aimed at supporting the eurozone economy in the face of the coronavirus pandemic have significantly boosted the potential for an economic recovery with the latest move by the ECB to increase the size of its Pandemic Emergency Purchase Programme by €600bn a clear signal of intent.
- As a result the eurozone banking sector looks set to benefit from these measures and the following ETF is a way to participate in this potential recovery.
- This ETF gives investors broad based exposure to a basket of 44 companies from developed countries in Europe
- Top 5 holdings: HSBC Holdings Plc, BNP Paribas, Banco Santander, UBS Group, Intesa Sanpaola
- [Link to Factsheet](#)
- [Link to KIID](#)

Total Return	1 Mth	3 Mth	YTD
SX7PEX GY	20.48%	-11.88%	-27.67%

Ticker	DIV	TER
SX7PEX GY	3.39%	0.46%

Source: All data & charts from Bloomberg & CFI

Cantor Core Portfolio - In Detail

Performance YTD	%
Portfolio	-6.4%
Benchmark	-5.3%
Relative Performance	-1.1%
P/E Ratio	22.40x
Dividend Yield	2.4%
ESMA Rating	6
Beta	0.98

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	-4.92%	
USD	-0.55%	

Index	Currency	PE	Outlook	Weighting	Total Return Local	Weekly Return	Price	Total Contribution	
STOXX Europe 600	EUR	17	Neutral	60%	-8.3%	7.2%	375	-5.0%	
S&P 500	USD	20	Neutral	40%	-0.3%	5.0%	3194	-0.3%	
Total				100%					-5.29%

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%	7.5%	0.5%	1440	0.1%	
Verizon Communications Inc	USD	4.4%	H	Communication Services	5%	-4.0%	0.6%	57.74	-0.2%	
BT Group*	GBp	3.1%	H	Communication Services	5%	-37.7%	3.2%	1.20	-2.0%	
Dalata Hotel Group Plc	EUR	0.0%	H	Consumer Discretionary	2%	-24.7%	19.4%	3.88	-0.5%	
Amazon.Com Inc	USD	0.0%	H	Consumer Discretionary	4%	34.4%	1.7%	2483	1.3%	
McDonald'S Corp	USD	2.6%	H	Consumer Discretionary	3%	1.1%	5.8%	197.16	0.0%	
Carnival	USD	0.0%	H	Consumer Discretionary	3%	-57.2%	36.7%	21.51	-1.7%	
Glanbia Plc	EUR	2.7%	H	Consumer Staples	4%	4.8%	7.7%	10.57	0.2%	
Danone	EUR	3.4%	H	Consumer Staples	3%	-14.1%	3.2%	63.50	-0.4%	
Royal Dutch Shell Plc*	GBp	5.3%	H	Energy	3%	-34.4%	16.4%	14.27	-1.4%	
Total Sa	EUR	7.3%	S	Energy	0%	-19.5%	14.0%	38.34	-0.2%	
Allianz Se	EUR	5.2%	H	Financials	4%	-6.1%	15.9%	193.20	-0.2%	
ING Groep Nv	EUR	5.3%	H	Financials	4%	-33.3%	22.8%	7.13	-1.3%	
Sanofi	EUR	3.6%	H	Health Care	3%	3.0%	1.9%	89.16	0.1%	
Pfizer Inc	USD	4.2%	H	Health Care	5%	-6.2%	-5.8%	35.99	-0.3%	
Vinci Sa	EUR	2.5%	H	Industrials	4%	-8.8%	8.8%	90.32	-0.4%	
Siemens Gamesa Renewable Energy	EUR	0.3%	H	Industrials	3%	-0.6%	2.7%	15.55	0.0%	
DCC Plc	GBp	2.2%	H	Industrials	4%	7.8%	3.3%	69.52	0.1%	
Fedex Corp	USD	1.9%	H	Industrials	3%	-5.5%	8.9%	142.21	-0.2%	
SAP Se	EUR	1.5%	H	Information Technology	4%	2.2%	7.6%	121.14	0.1%	
Paypal Holdings Inc	USD	0.0%	H	Information Technology	4%	44.2%	0.6%	156.00	1.7%	
Microsoft Corp	USD	1.1%	H	Information Technology	3%	19.4%	2.2%	187.20	0.6%	
Smurfit Kappa Group Plc	EUR	0.0%	H	Materials	3%	-12.8%	2.1%	29.86	-0.4%	
Newmont Corp	USD	1.7%	H	Materials	3%	26.9%	-5.9%	54.76	0.8%	
Invesco Physical Gold ETC	USD	0.0%	H	Materials	3%	10.1%	-3.3%	162.68	0.1%	
Kennedy Wilson Holdings Inc	USD	5.7%	H	Real Estate	4%	-23.3%	20.0%	16.82	-1.0%	
Engie	EUR	0.0%	H	Utilities	5%	-18.8%	9.9%	11.69	-0.9%	
Greencoat Renewables Plc	EUR	5.2%	H	Utilities	4%	1.3%	0.0%	1.17	0.1%	
JPMorgan Emerging Markets Trust	GBp	2.0%	H	Emerging Markets	3%	-9.4%	5.9%	9.58	-0.4%	
Total					100%					-6.35%

All data taken from Bloomberg up until 5/06/2020.

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
Royal Mail Plc	Tiffany & Co	Inditex Sa Halma Plc	DS Smith Plc Adobe Inc	
Economic	Economic	Economic	Economic	Economic
German Industrial Output	EU Employment Q1 German Trade Balance French Trade Balance	French Industrial Output US CPI Fed Interest Rate Announcement Fed Press Conference	US Initial Jobless Claims US PPI	UK GDP UK Industrial Output EU Industrial Production

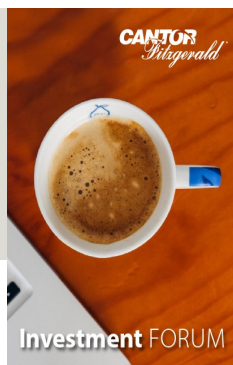
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Regulatory Information

Issuer Descriptions: (Source: Bloomberg)

Allianz: Allianz through its subsidiaries, provides insurance and financial services.

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

Historical Recommendation:

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