Economics and earnings drive equities higher

Economic data and earnings helped stocks move higher last week as major indexes notched their fourth week of gains in a row. Some of the major US banks kicked off earnings seasons last week, as Goldman Sachs, Wells Fargo, and JP Morgan all beat market expectations for Q1. Whilst the initial price reaction was mixed, it has set a positive tone for the reporting season. The likes of Netflix, Intel, and SAP all report this week.

In terms of economic data, US retail sales surged 9.8% during March which pushes sales higher than they were pre pandemic. In terms of a monthly gain, it is only surpassed by May 2020 which of course was coming on the back of a record decline. There is a consensus that the latest round of stimulus to US households is a direct trigger for the retail sales numbers, and therefore the MoM growth could decline back to a more 'normal' level pretty quickly.

Inflation fears continue to linger in the US, as the consumer price index (CPI) rose 0.6% in March, which equates to a 12 month rate of 2.6%. However, policymakers continue to point towards the low base and strong rally in energy prices in assuaging short term data concerns. Weekly jobless claims were at 576,000 which was well below expectations. Conversely, consumer sentiment missed consensus forecasts but did reach its best level since the pandemic broke out. US treasury yields moved lower as stronger demand from overseas investors for new issuance outweighed any concerns about inflation and the knock-on prospects of higher interest rates.

Vaccine news was mixed from the US, as the J&J vaccine distribution was 'paused' following blood clot fears. However, there was positive news in terms of supplies from Pfizer and efficacy from Moderna which swung sentiment more positively towards the end of the week. Within Europe, the U.K is beginning to ease lockdown restrictions, whilst in Germany Angela Merkel is pushing for new laws to allow restrictions to be reimposed by federal authorities.

Our regular market information continues on the next page.

Snapshot



World Equities

Oil

Gold

Copper



Corporate Bonds

Sovereign Bonds

The week ahead	
21 Apr	The latest UK inflation figures go to print.
22 Apr	The ECB meets for its latest policy decision.
23 Apr	US, EMU, UK, and Japanese flash PMIs for April are released.



	1 Week Return 12.04.21 to 19.04.21		Year to Date Return 01.01.21 to 19.04.21	
	Local Currency	Euro	Local Currency	Euro
World	1.6%	1.0%	10.3%	12.6%
U.S.	1.5%	0.8%	11.2%	13.6%
Europe	1.6%	1.6%	11.1%	11.1%
Ireland	1.5%	1.5%	11.1%	11.1%
U.K.	1.9%	1.8%	10.0%	13.6%
Japan	0.4%	0.3%	9.2%	5.9%
Hong Kong	2.0%	1.4%	10.3%	12.4%
Corporate Bonds	0.0%	0.0%	-1.0%	-1.0%
Sovereign Bonds	-0.3%	-0.3%	-3.9%	-3.9%

Equities

- Global stocks increased last week, and were up 1.0% in euro terms.
- Year-to-date global markets are up 12.6% in euro terms and 10.3% in local terms.
- The U.S market, the largest in the world, was up 0.8% in euro terms, and 1.5% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 1.56% last week, down from 1.66% a week earlier. The German equivalent finished at -0.27%. The Irish 10-year bond yield finished at 0.10%, to remain in positive territory.
- The Euro/U.S. Dollar exchange rate finished at 1.20, whilst Euro/GBP finished at 0.87.

Commodities

- Oil finished the week at $63 per barrel and is up 32.3% year-to-date in euro terms.
- Gold finished the week at $1,786 per troy ounce.
- Copper finished the week at $9,227 per tonne.

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