

# Daily Update

Your daily market news, moves  
and outlook



Thursday, 15th of April

## Markets Outlook

**Equities:** We have seen a very quiet week's trade in Europe so far this week, the continent's main indices trading in a tight rangebound manner on lower volumes ahead of some big earnings releases next week. Futures in the US are half a percent higher on Thursday morning after a positive start to earnings season yesterday, pushing the VIX lower to circa \$16.80.

**Currencies:** FX markets are quiet this morning, after the Dollar saw some further weakness yesterday against most major global currencies. EUR/USD is sitting at an important resistance point, around 1.1980 with the pair having not traded above here since early March.

**Safe-havens:** Gold has been supported this week so far, trading flat to marginally higher on the week just below the \$1,750 handle. This has come as inflation begins to slowly tick higher in the US, along with Treasury yields steadily moving lower in recent days. The benchmark US 10yr is yielding 1.617% as the bond itself flirts with one-month highs. In Europe, Germany's 10yr is similarly seeing a slight bid this morning, yields sitting at a negative 27 basis points.

**Looking ahead:** The main data point of the day will come from the US this afternoon in the form of monthly retail sales, this will be followed overnight tonight by a quarterly GDP release from China, expected to come in at a whopping 18.3% versus Q1 2020 when the region saw widespread closures as a result of the initial virus spread. For corporates: later today we are due to see releases from PepsiCo, Bank of America, UnitedHealth Group, Delta Airlines, BlackRock, Citigroup, and others.

## Key Events to Watch

15/04/2021 - US Retail Sales

16/04/2021 - Chinese GDP

21/04/2021 - BOC Rate Decision

22/04/2021 - ECB Rate Decision

## Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	4,124	-0.41%	9.81%
DAX	15,209	-0.17%	11.31%
EuroStoxx	3,976	0.23%	12.15%
ISEQ	8,039	-0.07%	9.18%
FTSE	6,939	0.71%	7.79%
Nikkei 225	29,642	0.07%	8.01%

FX	Value	Daily Change	YTD Change
EUR/USD	1.1978	0.27%	-1.88%
EUR/GBP	0.8690	0.02%	-2.70%
GBP/USD	1.3778	0.22%	0.87%
USD/CHF	0.9224	0.17%	4.15%
USD/JPY	108.91	-0.13%	5.43%
EUR/JPY	130.45	0.13%	3.43%

Fixed Income	Value	Daily Change
US 10yr	1.634	0.014
US 2yr	0.163	0.002
Bund 10yr	-0.263	0.026
Irish 10yr	0.136	0.058
Gilt 10yr	0.806	0.026
JGB 10yr	0.086	0.000

## Financial News Round Up

### US Bank Results

Yesterday we saw the beginning of the Q1 earnings season in the United States, as three of the nation's largest banks reported higher than expected profits, fuelled mostly by rapid growth in investment banking fees, buoyant capital markets, and lower credit costs as the economy improves. Meanwhile of course, the traditional banking business of taking deposits onboard and subsequently lending has continued to grow less profitably, leading bank executives to warn that this latest boost to earnings will likely fade as the year goes on.

Taking a closer look, yesterday we saw JP Morgan Chase, America's largest bank by assets, beat analysts' earnings forecasts by 21 cents per share, with the bank pointing to a 57% jump in investment banking fees over the three-month period. We note that executives acknowledged the likelihood that revenue would be flat for the second quarter following this robust set of results. JP Morgan shares closed lower last night on Wall Street, down almost 2% to \$151.21, albeit 19% stronger YTD so far.

With regard to Goldman Sachs' results: the firm saw a strong 73% increase in dealmaking fees, which pushed its return-on-equity to 31% - the metric's highest level since 2009. Goldman Sachs has had a ROE target of 14% since the release of a new strategy laid out one year ago. Shares in the bank rose on Wednesday after the release by over 2% to \$335.35, now a distinct 27% higher so far this year.

Conversely, when we look at Wells Fargo, a US bank that does not have a significant trading business but instead would focus more on conventional banking practices, we saw a 45% fall in profit last year.

### Coinbase

Yesterday we saw the first day of trading for cryptocurrency exchange platform Coinbase's shares in New York, with investors valuing the firm at \$75.9 billion in its debut on the Nasdaq. This was the first listing of a major crypto exchange and is seen by some as a significant moment of validation for the new digital asset class some twelve years after Bitcoin was created.

Coinbase holds assets for 56 million retail investors across the planet and operates as the US' biggest digital coin exchange, a business that has undoubtedly surged over recent months. Shares opened yesterday in New York at \$381, before moving lower to \$328 by the closing bell.

### Wizz Air

European budget airline Wizz Air has released a statement this morning, in which it alluded to the fact that airline travel will pick up as national vaccination programmes make progress in its key markets across the continent.

"The start of the year ending March 31, 2022 continues to be marked by travel restrictions across our region and we expect only a gradual traffic recovery into late summer 2021" the airline stated. For its fiscal year just passed, Wizz Air said it would see an underlying loss of somewhere in the region of €475m - €495m when it releases its results on June 2nd.