

# Daily Update

Your daily market news, moves  
and outlook



Monday, 19th of April

## Markets Outlook

**Equities:** European indices saw a strong end to last week after almost two weeks of very quiet sideways trade as we entered into Q1 earnings season. Quiet start to Monday morning as DAX and EuroStoxx are trading flat to marginally higher - we expect markets on the continent to remain fairly muted until we get the ECB's monetary policy release on Thursday. Global markets have been riding high as of late, boosted by strong corporate earnings, expectations for monetary policy to remain accommodative, and the accelerated global vaccine rollout programme.

**Currencies:** The Dollar already looks like it could weaken for a third consecutive week, as EUR/USD rallies through the 1.20 mark on Monday morning on the back of falling Treasury yields in the States. Euro traders will also likely await further clarity from the ECB this week before committing capital heavily to one side. EUR/GBP trading flat this morning at 0.8670 after broadly sideways trade last week.

**Safe-havens:** Gold is climbing once again on Monday, the precious metal is back above \$1,780 for the first time since late February, having gained over 2% last week and a further 0.40% today so far. This move has come on the back of Treasuries in the US seeing a bid over recent weeks which has simultaneously brought their corresponding yield lower, while inflation also looks likely to pick up relatively soon when economies reopen fully.

The benchmark US 10yr yield's 1.56% on Monday, having gotten as low as 1.528% late last week. In Europe, Germany's 10yr Bund yield's -0.27%, the spread between the US and Germany has been narrowing for a couple of weeks now as Bunds remain stable and Treasury yields fall off somewhat.

## Key Events to Watch

21/04/2021 - UK CPI Inflation  
21/04/2021 - BOC Rate Decision  
22/04/2021 - ECB Rate Decision  
23/04/2021 - European PMIs

## Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	4,185	0.36%	11.43%
DAX	15,459	1.34%	12.87%
EuroStoxx	4,032	0.99%	13.56%
ISEQ	8,153	1.56%	10.92%
FTSE	7,019	0.52%	8.73%
Nikkei 225	29,685	0.01%	8.17%

FX	Value	Daily Change	YTD Change
EUR/USD	1.1983	0.15%	-1.85%
EUR/GBP	0.8663	-0.16%	-3.15%
GBP/USD	1.3830	0.32%	1.39%
USD/CHF	0.9200	-0.28%	3.85%
USD/JPY	108.77	0.03%	4.99%
EUR/JPY	130.34	0.18%	3.06%

Fixed Income	Value	Daily Change
US 10yr	1.590	0.016
US 2yr	0.163	0.002
Bund 10yr	-0.262	0.031
Irish 10yr	0.104	0.016
Gilt 10yr	0.766	0.028
JGB 10yr	0.083	-0.005

## Financial News Round Up

### The Week Ahead

Focus will likely remain on earnings season this week, as we are due for a lighter few days in terms of regional economic data points. While we have only seen a few releases so far, Q1 corporate earnings (in the US) have exceeded analysts' expectations - last week we saw a few releases from large names in the US' financials sector. Heading into last week, we note that Wall Street was broadly forecasting that companies in the S&P500 would report aggregate earnings per share growth of 28% for the first quarter, which would be the largest jump in over 10 years.

In terms of the usual economic data points, Monday and Tuesday are set to be very quiet with no major releases due either side of the Atlantic. On Wednesday we will see the UK's monthly CPI inflation data release, followed by the Bank of Canada's rate decision that afternoon. Things will get busier towards the end of the week, the European Central Bank are due to release their latest rate decision on Thursday at 12:45pm Irish time followed by the usual press conference with ECB President Christine Lagarde. Then on Friday we will get the release of Europe and the US' Manufacturing and Services PMI results for April.

On the corporate front: later today Coca-Cola, IBM, and United Airlines will release results, followed tomorrow by Johnson & Johnson, Procter & Gamble, Bank of America Corp, Netflix, Philip Morris and many more. On Wednesday ASML and Verizon will release, with Intel, AT&T, SAP, and Snap on Thursday. The week will be rounded off on Friday by Honeywell, Bank of China, and Daimler, market focus will then shift to the following week when the large tech names report results.

### Kingspan

Building materials group Kingspan has this morning reported a strong first quarter to 2021, while at the same time reiterating its cautiousness about looking too far ahead. Group revenue came in at €1.28 billion for the three-month period to March 31st, which was a robust 24% increase on the same period last year.

"Furthermore, raw material inflation, and indeed availability of same, is increasingly a challenge and we are doing our utmost to limit any impact on our own end markets" the company said in its statement.

"We have a strong backlog on hand which augurs well for the period ahead although in the current environment we are cautious about looking too far ahead" it went on to add.

The stock, with its forward-P/E of over 32 times and TTM P/E of 36 vs the industry 24, has gained almost 30% so far this year to €74.52 in Dublin.

### Dublin Port

The Dublin Port Company has this morning said that its trade volumes dropped by a significant 15.2% during the first quarter of this year, as Brexit triggered a major reduction in cargo volumes, while the pandemic also hit passenger numbers.

The firm saw a 29% fall in freight from Britain, which is now down to 160,000 units. In contrast, trade with EU ports was 18% higher to 158,000 units.

Total imports in Q1 were 14.4% lower while exports dropped by 16.6%.