

# Daily Update

Your daily market news, moves  
and outlook



Monday, 26th of April

## Markets Outlook

**Equities:** Stock markets across Europe are flat to marginally lower to kick off the week this morning, DAX and EuroStoxx50 both down 0.05%. Markets in general will likely remain fairly muted today as traders sit on the sidelines ahead of what is set to be a much busier week on the economic data and corporate earnings fronts. The CBOE VIX volatility index sits slightly higher at \$18.06 on Monday morning, VIX futures currently at \$20.38.

**Currencies:** EUR/USD is flat this morning at 1.2096, the world's most traded currency pair having recently seen three consecutive weeks of gains to trade its highest prices since the end of February. This move has come on the back of Dollar weakness as Treasury yields have fallen as of late thus making the greenback less attractive on a near-term basis. We expect the currency space to remain quiet ahead of the FOMC release on Wednesday, with the Dollar likely to drive moves for the rest of the week from there. The Federal Reserve Chair J Powell is likely to face questions over whether an improving labour market and rising vaccinations warrant a withdrawal of monetary easing.

**Safe-havens:** Precious metals remain supported into this week it seems, gold up almost 6.5% from its March low, and trading at an important support/resistance level now at \$1,780. The metal of course has benefited from lower Treasury yields in the US over the last month or so, the benchmark US 10yr yielding 1.577% on Monday. In Europe, Germany's 10yr currently remains in negative territory with a yield of -0.25%. The spread between the two bonds has narrowed in recent weeks as investors begin to eye up a reopening in Europe this summer.

## Key Events to Watch

27/04/2021 - BOJ Rate Decision

28/04/2021 - Fed Rate Decision

29/04/2021 - US GDP

30/04/2021 - German GDP

## Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	4,180	1.09%	11.29%
DAX	15,279	-0.27%	11.62%
EuroStoxx	4,013	-0.04%	12.92%
ISEQ	8,072	0.65%	9.60%
FTSE	6,938	0.00%	7.15%
Nikkei 225	29,126	0.36%	6.13%

FX	Value	Daily Change	YTD Change
EUR/USD	1.2099	0.70%	-1.01%
EUR/GBP	0.8718	0.43%	-2.72%
GBP/USD	1.3874	0.27%	1.81%
USD/CHF	0.9134	-0.35%	3.28%
USD/JPY	107.91	-0.05%	4.42%
EUR/JPY	130.56	0.66%	3.38%

Fixed Income	Value	Daily Change
US 10yr	1.559	0.018
US 2yr	0.159	0.008
Bund 10yr	-0.257	-0.002
Irish 10yr	0.117	-0.004
Gilt 10yr	0.745	0.004
JGB 10yr	0.072	0.003

## Financial News Round Up

### The Week Ahead

Today we are due to see a relatively quiet start to an otherwise busy week, during which we will get two central bank releases, some major economic data points on both sides of the Atlantic, and a big week on the corporate earnings front.

First, in terms of data points, we will have a very quiet afternoon on Monday, followed by the Bank of Japan's rate decision and monetary policy statement overnight tonight, we will also see US consumer confidence data tomorrow. Wednesday will see OPEC nations meet throughout the day to discuss energy prices and how much oil they plan on producing this year, along with a speech from ECB President Lagarde at 3pm Irish time and the latest Fed rate decision at 7pm.

Thursday will see some monthly CPI inflation releases from some key European nations, followed by the important quarterly GDP result from the US in the afternoon. In the early hours of Friday morning we are due to get Chinese Manufacturing PMI data, with both German and Italian quarterly GDP to come in the morning and Canadian monthly GDP in the afternoon.

Looking to earnings season, today we are due to get Q1 results from the likes of Tesla and Philips. Tomorrow things will begin to heat up when we see releases from Microsoft, Google (Alphabet), Visa, Novartis, Amgen, Starbucks, and many more large names. On Wednesday we are set to see results from Apple, Facebook, Qualcomm, Boeing, Sony, Sanofi, and GSK, followed on Thursday by Amazon, Samsung, MasterCard, Merck, Thermo Fisher Scientific, McDonald's, Royal Dutch Shell, Total, Caterpillar, and many more.

Results from AbbVie, Alibaba, ExxonMobil, Chevron, BNP Paribas, and AstraZeneca will round off the week on Friday.

### Irish Economy

According to Bank of Ireland's latest Economic Pulse survey, business confidence in the Republic was higher this month than it was before the pandemic as the steady easing of restrictions and pick up in vaccine supply is giving rise to more optimism. The reading, which combines the results of the consumer and business pulses, came in at 85.4 for April. This was a robust 11.8 point increase on last month, and a whopping 51.1 increase on April 2020's all-time low.

The bank stated that this improvement was broad based across all four of the data point's recorded sectors: industry, construction, retail, and services.

"Businesses were also pretty upbeat about growth prospects further out, with three in five having ambitions to expand in the next one to three years, which is in line with the pre-Covid figure" added Loretta O'Sullivan, BOI's group chief economist.

In addition, the report stated that households were showing more positivity about the economy and their finances this month, with the Housing Pulse standing at 107.9, up 10.6 from March and 82.9 points higher than one year ago.