

News highlights

- Most of the major equity indices moved steadily higher to record highs, while tech stocks regained their lead. European equity losses from the pandemic are now behind us as the Stoxx600 index finally surpassed its pre-covid high on Tuesday last week.
- On relative valuations, two important milestones were observed with the US high yield spread over Treasuries quoted below 3% and the spread of US earnings yields (S&P500) vs. bond yield also declining below 3%.
- To no one's surprise, the IMF revised up its global growth forecast to 6% for 2021, a level not seen since the 1970s. The upward revision reflects additional fiscal support, the anticipated vaccine-powered recovery in the second half of 2021, and more interestingly the continued adaptation of economic activity to subdued mobility.
- On the inflation front, the acceleration in the producer price index above 4% in both the US and China was an eye-catcher for market participants.
- Following change in the US administration stance, global minimum corporate tax rate was back on the G20 agenda after years of political wrangling over reforms to the global tax system to tackle the rise of profit-shifting by multinational firms and online tech giants. Reaching an agreement through the OECD in time for a G20 summit in July seems now a realistic perspective while, as usual, the devil will be in the details, if we ever get any.
- Two anecdotal but nevertheless intriguing surveys were published last week. In its monthly investor survey, BofA pointed out that inflows to stocks in the last 5 months exceeds inflow in the prior 12 years. In another investor survey, C. Schwab pointed out that 15% of current US retail investor began investing in 2020 during the pandemic.
- Earnings season will kick into gear this week, with a number of US financials in particular making announcements.

EQUITIES (local currency, price change)

	Last Price	5 days	YTD		5 Years
			Local	EUR	
US					
S&P 500	4 129	2,7%	9,92%	12,93%	101,6%
Nasdaq	13 900	3,1%	7,85%	10,80%	186,6%
Dow Jones	33 801	2,0%	10,44%	13,45%	92,3%
Europe					
Stoxx 50	3 979	0,8%	12,0%	12,0%	36,6%
DAX	15 234	0,8%	11,0%	11,0%	58,3%
CAC	6 169	1,1%	11,1%	11,1%	43,4%
FTSE	6 916	2,6%	7,0%	10,6%	11,5%
AEX	713	0,7%	14,2%	14,2%	64,3%
BEL 20	3 942	0,1%	8,8%	8,8%	17,5%
SMI	11 239	1,1%	5,0%	3,5%	43,8%
EM & Asia					
Nikkei 225	29 768	1,3%	8,47%	5,49%	88,1%
Hang Seng	28 699	-0,8%	5,39%	7,93%	40,9%
India	49 591	-0,9%	3,85%	4,29%	101,0%
Russia	3 486	-1,2%	5,99%	5,37%	85,7%
Brazil	117 670	2,1%	-1,13%	-6,68%	134,0%

FIXED INCOME (local currency, total return)

	Yield	5 days	YTD		5 Years
			Local	EUR	
US					
Government	0,97	0,1%	-3,8%		11,7%
Investment Grade	2,13	0,1%	-3,8%		25,9%
High Yield	4,02	0,5%	1,6%		47,7%
Europe					
Government	-	0,02	-0,4%	-2,4%	9,7%
Investment Grade	0,32	0,0%	-0,5%		11,9%
High Yield	2,91	0,3%	2,1%		27,5%
EM					
Global HC USD	3,60	0,3%	-2,6%		29,9%

EUR VERSUS MAJOR CURRENCIES

	Last	5 days	YTD	5 Years
USD	1,19	1,0%	-2,6%	-8,0%
JPY	130,51	0,2%	3,4%	29,6%
CHF	1,10	-0,8%	1,7%	-9,1%
GBP	0,87	2,0%	-2,8%	8,9%

COMMODITIES

	Last	5 days	YTD		5 Years
			USD	EUR	
Brent	62,95	-2,9%	21,5%	24,8%	-42,7%
Gold	1 743,88	0,8%	-8,1%	-5,6%	-1,2%

Source: Bloomberg, BIL, as at 09/04/2021

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