

## News highlights

- Financial assets had a goldilocks week with equity, bond and commodity markets all performing well.
- Earnings season kicked off with a batch of US banks comfortably beating estimates, driven by partial releases of loan loss reserves, robust trading, and investment banking revenue, partly offset by weak loan demand.
- Analysts currently expect overall earnings for the S&P 500 to have grown by roughly 25% in the quarter on a year-over-year basis, the most since the sharp cut in corporate tax rates that took effect in 2018. Forward earnings are now exceeding the 2019 peak level by 3%.
- Despite a parade of impressive macro releases in the US (retail sales, inflation, jobless claims, regional manufacturing reports, ...), Treasury yields fell over the week. Many factors were at play like strong demand from Japanese investors and short-covering from hedge funds. The evolution of US rates will be important to monitor in the coming weeks to diagnose whether the recent change in mood is a traditional 'sell the rumour, buy the news' reaction, or a more important transition from recovery to expansion cycle positioning.
- The dip in Treasury yields was an opportunity for record debt offering by large US banks with Goldman Sachs issuing \$6bn, followed by JP Morgan issuing \$13bn and finally BofA issuing \$15bn, setting new records for the largest bond sale by a bank.
- China grew 18.3% in the first quarter compared to the same period in 2020. This was slightly below the 18.5% expected but retail sales jumped 34.2%, better than the 28% expected by analysts.
- The US administration imposed new sanctions on Russia targeting primary issuance of RUB sovereign debt as well as officials and entities.

### EQUITIES *(local currency, price change)*

	Last Price	5 days	YTD		5 Years
US			Local	EUR	
S&P 500	4 185	1,4%	11,43%	13,70%	101,2%
Nasdaq	14 052	1,1%	9,03%	11,25%	184,6%
Dow Jones	34 201	1,2%	11,74%	14,02%	91,1%
Europe					
Stoxx 50	4 033	1,4%	13,5%	13,5%	32,0%
DAX	15 460	1,5%	12,7%	12,7%	53,8%
CAC	6 287	1,9%	13,3%	13,3%	39,9%
FTSE	7 020	1,5%	8,7%	12,3%	10,7%
AEX	717	0,5%	14,8%	14,8%	59,1%
BEL 20	3 978	0,9%	9,9%	9,9%	15,0%
SMI	11 263	0,2%	5,2%	3,6%	40,5%
EM & Asia					
Nikkei 225	29 683	-0,3%	8,16%	5,30%	76,2%
Hang Seng	28 970	0,9%	6,38%	8,31%	35,9%
India	48 832	-1,5%	2,26%	2,23%	90,6%
Russia	3 598	3,2%	9,41%	10,41%	88,6%
Brazil	121 114	2,9%	1,76%	-3,44%	127,5%

### FIXED INCOME *(local currency, total return)*

	Yield	5 days	YTD	5 Years
US				
Government	0,95	0,4%	-3,5%	12,2%
Investment Grade	2,09	0,4%	-3,4%	26,0%
High Yield	3,99	0,2%	1,8%	45,7%
Europe				
Government	-	-0,2%	-2,6%	9,7%
Investment Grade	0,33	-0,1%	-0,5%	11,9%
High Yield	2,89	0,1%	2,3%	26,5%
EM				
Global HC USD	3,57	0,6%	-2,0%	29,3%

### EUR VERSUS MAJOR CURRENCIES

	Last	5 days	YTD	5 Years
USD	1,20	0,7%	-1,9%	-7,3%
JPY	130,36	-0,1%	3,3%	29,5%
CHF	1,10	0,2%	2,0%	-8,9%
GBP	0,87	-0,3%	-3,1%	8,6%

### COMMODITIES

	Last	5 days	YTD		5 Years
			USD	EUR	
Brent	66,77	6,1%	28,9%	31,5%	-39,2%
Gold	1 776,51	1,9%	-6,4%	-4,5%	0,7%

Source: Bloomberg, BIL, as at 16/04/2021

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