

News highlights

- Financial markets pulsed around gauging the US economy's temperature last week. It began with signs that it was 'red hot', headlines around supply chain shortfalls and booming commodities and ended up with a sizeable miss in job creation.
- Equities finished the week higher and rotation resumed with value and cyclicals outperforming growth and defensives, momentum and technology came under pressure.
- The BoE meeting ended up with some market commentators highlighting 'tapering' with the announcement of a cut to weekly bond buying from GBP4.44bn per week to 3.44bn, others perceived it as a simple 'technical' adjustment, backed by the total purchase volume, with planned purchases for 2021 at GBP150bn and GBP67bn already bought by the end of April. The same is true for the growth outlook, with some commentators focusing on 2021 upward revisions from 5% to 7.25% while others highlighted a new assessment of the timing of the recovery, rather than its overall strength, with the 2022 growth forecast revised down to 5.75% from 7.75%. Our takeaway is that these announcements reflect increased confidence that the pandemic will soon be a thing of the past.
- The US employment report was eye-catching, given its sizable miss vs. expectations. Most economist explanations are that stimulus checks and extended unemployment benefits created temporary mismatch between labour supply & demand. The release drove an adjustment in expectations around monetary policy with higher comfort that the Fed will leave its accommodative monetary policy in place for some time.
- Prices of key commodities such as copper, corn and lumber hit new records or multiyear highs, while the US dollar was significantly lower and gold solidly higher.

EQUITIES *(local currency, price change)*

	Last Price	5 days	YTD		5 Years
			Local	EUR	
US					
S&P 500	4 233	1,2%	12,69%	13,37%	104,9%
Nasdaq	13 752	-1,5%	6,70%	7,35%	188,0%
Dow Jones	34 778	2,7%	13,63%	14,32%	95,7%
Europe					
Stoxx 50	4 034	1,5%	13,6%	13,6%	33,2%
DAX	15 400	1,7%	12,3%	12,3%	53,4%
CAC	6 386	1,9%	15,0%	15,0%	44,2%
FTSE	7 130	2,3%	10,4%	13,7%	14,2%
AEX	718	1,5%	15,0%	15,0%	63,4%
BEL 20	4 044	0,7%	11,7%	11,7%	18,6%
SMI	11 174	1,4%	4,4%	3,4%	40,4%
EM & Asia					
Nikkei 225	29 358	1,9%	6,97%	2,80%	76,2%
Hang Seng	28 611	-0,4%	5,07%	5,53%	35,8%
India	49 206	0,9%	3,05%	3,36%	92,2%
Russia	3 683	3,9%	11,97%	14,46%	88,6%
Brazil	122 038	2,6%	2,54%	2,70%	126,4%

FIXED INCOME *(local currency, total return)*

	Yield	5 days	YTD	5 Years
US				
Government	0,92	0,3%	-3,2%	12,9%
Investment Grade	2,05	0,5%	-3,0%	26,0%
High Yield	3,91	0,3%	2,2%	43,7%
Europe				
Government	0,06	0,0%	-3,3%	9,9%
Investment Grade	0,34	0,1%	-0,5%	11,9%
High Yield	2,90	0,0%	2,3%	25,7%
EM				
Global HC USD	3,50	0,5%	-1,5%	29,2%

EUR VERSUS MAJOR CURRENCIES

	Last	5 days	YTD	5 Years
USD	1,22	1,2%	-0,4%	-5,9%
JPY	132,12	0,5%	4,7%	31,2%
CHF	1,10	-0,2%	1,3%	-9,5%
GBP	0,87	0,0%	-2,7%	9,1%

COMMODITIES

	Last	5 days	YTD		5 Years
			USD	EUR	
Brent	68,28	1,5%	31,8%	32,6%	-37,8%
Gold	1 831,24	3,5%	-3,5%	-2,9%	3,8%

Source: Bloomberg, BIL, as at 07/05/2021

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