

Global Market Watch

Global markets
Periodic
April 19, 2021

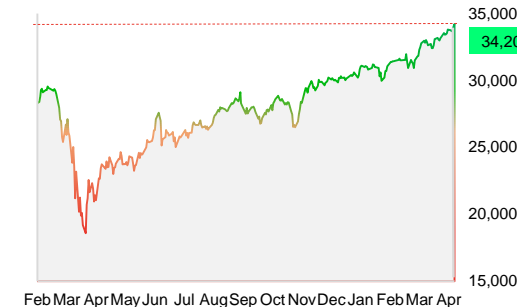
What's moving markets

- April started in green for global markets, with major benchmarks hitting record highs. S&P 500 surpassed the 4,000 threshold for the first time on 2 April, driven by technology and energy stocks. The tech stocks were supported by Joe Biden's US\$ 2.0tn infrastructure spending plan, which includes large investments in research and broadband.
- Markets were further lifted by strong economic data in US. Activity in US services sector increased at a high pace, above the analysts' expectations, indicating a strong acceleration of the economic recovery. Furthermore, US labor market improved significantly in March, with 916,000 jobs added, while unemployment dropped to 6%. Surge in US retail sales in March (+9.8% vs. economists' expectations of 5.8%) helped the investor sentiments on improved economic prospects. US stocks surged further on 15 April, after weekly jobless claims fell to pandemic-era low of 576,000 vs. the expected 700,000.
- The first half of April also saw the start of earnings season, particularly of the financial sector, with Bank of America's quarterly results beating analysts' expectations. Goldman Sachs also announced about strong results in 1Q21, posting net earnings of US\$ 6.8bn.
- Overall, S&P 500 increased by 5.4% in the first half of April closing at the all-time high of 4,185 level. Technology heavy NASDAQ composite surged by 6.1% in the same period. Notably, after its sweeping IPO, Coinbase was included in the NASDAQ index, valuing the company at US\$ 76bn, ahead of some of the well-known firms. In Europe, STOXX 600 was up 3.0% during the 2-week period, while UK's FTSE 250 index was up 4.7% in the same period.

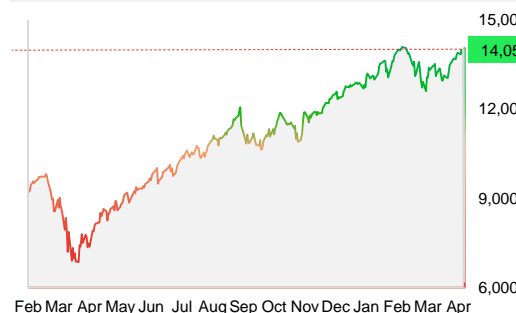
S&P 500



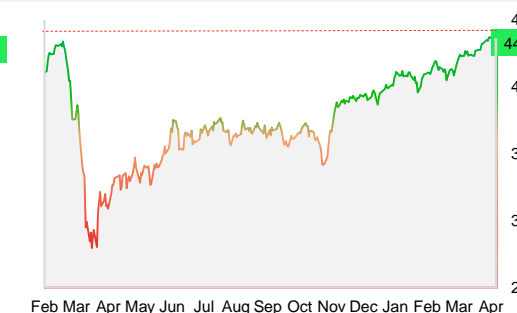
Dow Jones Industrial Average



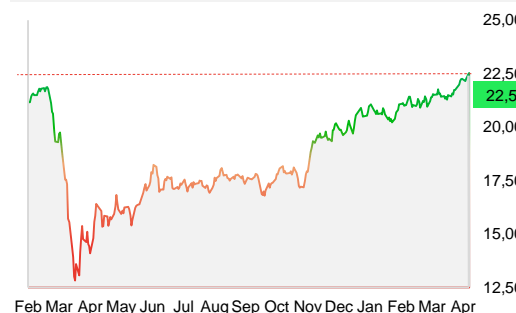
NASDAQ



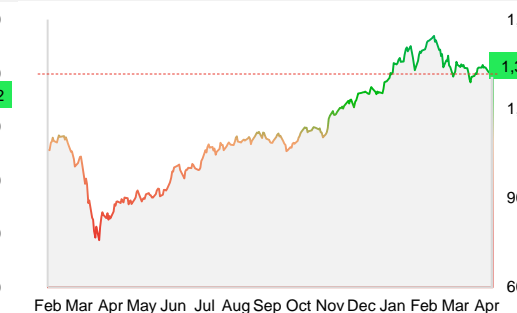
STOXX 600 Europe



FTSE 250



Emerging Markets Index



Source: Bloomberg
Note: Data as of 16 April 2021

- China once again surprised the markets, with its economy growing by an astonishing 18.3% in 1Q21, the fastest rate since records began in 1990's. The economic activity was supported by strong industrial production, strong household consumption and booming exports. After hitting all-time highs in February, Chinese stocks traded mostly flat during the first half of April, with Shanghai Composite Index slightly down -0.4% during the 2-week period.
- In Japan, Toshiba came in the spotlight. CVC Capital Partners has made a US\$ 20bn offer for Toshiba, along with other private equity funds, that would mean one of the biggest public names on Tokyo Stock Exchange to be taken private, making Japan's biggest buyout deal in history. However, later the surprising resignation of the company CEO, put the deal in doubt. On broader equity markets, Japan's Nikkei gained 1.0% in the first half of April, slightly below the highs of February.

Commodities

- In the beginning of April, OPEC+ members agreed to increase oil output gradually from May, against the Saudi Arabia's warnings that oil's recovery was "far from complete". After initial declines in the first days of April, oil prices rebounded, with Brent oil trading at US\$ 66.8/barrel by 16 April, while WTI oil price stood at 63.1/barrel. Oil prices were supported by positive news from the International Energy Agency (IAE) - energy policy advisor to 29 member countries plus the European Commission - which revised higher its oil demand forecast for 2021, supported by improved economic prospects and fast vaccination rollout in US.
- After rallies in US treasuries, investors moved to other safe-haven assets, particularly gold in the first half of April, with gold prices up 4.0% in the 2-week period, trading at \$1,777 per troy ounce as of 16 April 2021.

Volatility

- Cboe Volatility Index, VIX, the gauge of fear in S&P market, declined further in the first half of April, trading at 16.25 by 16 April.



Source: Bloomberg
Note: Data as of 16 April 2021

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