

MONDAY MORNING RECAP - April 12, 2021

Last Week

Dow Jones Industrial Average (DJIA)	33800.60	+647.39	+1.95%
S&P 500 Index	4128.80	+108.93	+2.71%
NASDAQ Composite Index	13900.19	+420.08	+3.12%
U.S. 10 yr. Treasury Note Yield	1.67%	-5 Basis Points	
Gold (\$ per troy oz.)	\$1743.30	+\$16.80	+0.97%
WTI Oil (\$ per barrel)	\$59.32	-\$2.13	-3.47%

Market Summary

GLOBAL EQUITIES: Stock markets surged last week, led by growth as rates fell and investors rotated from re-opening themes to quality consumer and tech companies. The S&P 500 Index hit its 20th all-time high this year, rising 2.71% as the Russell 1000 Growth Index outperformed its Value counterpart by 282bps. In Europe, estimates for a majority of the population to be vaccinated were pulled forward to June, and the Stoxx 600 Index rose 1.23%. The export-heavy FTSE 100 Index got a boost from a weaker pound, and jumped 2.71%.

COMMODITIES: Oil prices fell after OPEC+ announced it would start to gradually increase supplies by 2 million barrels per day between May and July. WTI and Brent crude ended the week at \$59.32 and \$62.95 per barrel, respectively. Metals jumped higher as the global production outlook improved, with copper and nickel up 1.54% and 2.54%, respectively.

FIXED INCOME: Sovereign yields were mixed last week as COVID-19 uncertainties persisted. The 10-Year US Treasury yield fell to 1.67% following an unexpected rise in jobless claims and the Fed's reaffirmation that it would keep policy accommodative. The 10-Year UK Gilt yield followed suit, declining to 0.77%. The German 10-Year Bund yield rose 2bps to -0.30% on optimism surrounding the Eurozone's COVID-19 vaccination program. In its March meeting minutes, the ECB suggested that it may be ready to reduce bond purchases, should conditions permit.

FX: The Fed's dovish comments led the US dollar to fall against a basket of currencies, ending the week -0.89% lower. The sterling pound weakened against the US dollar, ending the week at 1.3716, while the euro strengthened to 1.1903 against the US dollar.

Economic Summary

LABOR: US job openings increased by 268k in February to the highest level in two years, consistent with the strong March jobs report. Progress slowed in the holiday week ending April 3 as initial jobless claims increased to 744k against expectations for a decline. In the Euro area, the February unemployment rate remained unchanged at 8.3% following an upward revision to the January reading.

INFLATION: China's Consumer Price Index turned positive year-over-year (YoY) in March rising +0.4%, mostly driven by transportation and communication prices (+2.7%).

POLICY: The March FOMC minutes reflected an improved macro outlook, due to the faster pace of re-opening and larger fiscal response. There was little new information about the policy path, though participants discussed concerns of downward pressure on market rates.

CONDITIONS: US March Services ISM was the highest since recording began in 1997 at 63.7, following the best print in Manufacturing ISM since 1983 at 64.7. In China, Caixan Composite PMI hit 53.1 as the services recovery accelerated. The China Caixan Services PMI jumped to 54.3, while the manufacturing component continues to decline.

Key Economic Releases

Monday, April 12:

No economic data released.

Tuesday, April 13:

US Core CPI YoY (Cons: 1.5%, Prior: 1.3%)
 NFIB Small Bus. Optimism (Cons: 98.0,
 Prior: 95.8)

Wednesday, April 14:

Euro area IP (Cons: - 1.1%, Prior: 0.8%)

Thursday, April 15:

US Jobless Claims (Cons: 700k, Prior:
 7444k)
 US Retail Sales MoM (Cons: 5.4%, Prior: -
 3.0%)
 US IP (Cons: 2.6%, Prior: - 2.2%)
 China GDP QoQ (Cons: 1.4%, Prior: 2.6%)

Friday, April 16:

UMich Cons. Sent. (Cons: 89.0, Prior: 84.9)
 Euro area Core CPI (Cons: 0.9%, Prior:
 0.9%)

Source: Goldman Sachs Asset Management: "Market Monitor", 4/9/21

1. "Cons." and "Prior" refer to current consensus expectations and the previous data release, respectively.
2. "WTI" stands for West Texas Intermediate crude oil, a common US benchmark for oil prices.
3. "Brent" is a global benchmark for oil prices worldwide.
4. "Fed" refers to the Federal Reserve.
5. "ECB" refers to the European Central Bank.
6. "OPEC+" refers to the Organization of the Petroleum Exporting Countries and its allies.
7. "FOMC" refers to the Federal Open Market Committee.
8. "ISM" refers to the Institute for Supply Management.
9. "PMI" refers to the Purchasing Managers' Index.

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