

# Daily Market Report

Thursday, April 29, 2021

## Market Commentary

- ▶ **Fed Keeps Foot on Gas:** The Fed is more optimistic about growth and still sanguine about prices. The central bank strengthened its outlook and signaled risks have diminished, while keeping policy and asset purchases steady. Jerome Powell said "it's not time yet" to talk about tapering, as the recovery "remains uneven and far from complete." BlackRock expects the Fed to signal tapering plans in coming months — causing temporary angst in Treasuries before ushering in yield-curve flattening.
- ▶ **Biden Leaves His Mark:** Joe Biden's first 100 days in office have left an imprint on financial markets, as stocks extended last year's gains, the dollar stagnated and bond yields rose. The S&P 500 has in on pace to rise 10% during Biden's first 100 days, surpassing gains in the same time period for any president in the last four decades. Counting the benchmark stock index's advance from election day to Biden's 100th day in office, the index has risen about 25%.
- ▶ **US-EU Dispute:** The Biden administration is in talks with the EU to avoid an escalation in a dispute over tariffs on European metals exports as the transatlantic alliance tries to repair their economic counterweight against China. The EU has threatened to double the tariffs to 50% on June 1, cutting off any residual hope of exports to the continent. President Joe Biden has pledged that he will maintain the tariff protections for the steel and aluminum industries until the problem of global excess production capacity - largely centered in China - can be addressed.
- ▶ **Apple's Sales Skyrocket:** Apple's iPhone 12 line-up maintained enormously strong demand from consumer from January through March. Apple reported record March quarter revenue of \$89.6 billion, up 54% year over year. The iPhone took in just under \$48 billion, jumping up by 66% from a year ago, fueled by 5G demand. Sales from Macs and iPads, which got a lift from WFH, will be hurt by the global chip shortage.
- ▶ **Virus Update:** The U.S. advised citizens to avoid India as the first flights with American aid supplies are set to arrive there today. Biden said the U.S. would become an "arsenal of vaccines" for the world. India confirmed 18.4 million Covid-19 cases in total and over 204,000 deaths. Japan will consider making yet-to-be-approved shots and treatments available for emergency use. Singapore is mulling removing return quarantine requirements on vaccinated residents travelling to countries with low caseloads.
- ▶ **Bitcoin at Inflection Point:** Bitcoin is facing a make-or-break moment following a recent bout of selling. Though the cryptocurrency has rebounded above its average price over the past 100 days, it's still trading below its 50-day moving average. Trading in the world's largest digital asset has been choppy in recent days after it hit a record high in mid-April above \$64,000. It's down more than 15% since then, though it rebounded earlier this week amid positive news
- ▶ **Oil Extends Gains:** Oil prices extended gains after rising 1%, as bullish forecasts on recovering demand this summer outweighed concerns about the impact of rising COVID-19 cases in India, Japan and Brazil. Brent crude for June rose 0.3%, to \$67.49 while WTI crude for June was at \$64.04, up 0.3%. OPEC+, stuck to their plans for a gradual easing of oil production restrictions from May to July, after OPEC raised slightly its demand growth for 2021 to 6 million barrels per day.
- ▶ **Saudi Petrochemical Earnings Jump:** Saudi petrochemical companies reported a jump in first-quarter earnings as prices for key products rose on recovering global demand. SABIC Agri-Nutirents, formerly known as SAFCO, said net profit surged 39% to SR423 million (\$112.7 million) on sales that doubled to SR1.51 billion. It said both sales and prices rose over the period. Meanwhile Advanced Petrochemical Company reported a 64% jump in first quarter net income to SR171 million.
- ▶ **Egypt Keeps Rates:** Egypt extended its monetary easing pause for another month, seeking to keep local debt attractive to foreign investors as the pandemic cuts tourism. The central bank held the benchmark deposit rate at 8.25% and the lending rate at 9.25% for a fourth meeting.
- ▶ **Oman State Oil Firm to Sell Assets:** Energy company OQ SAOC plans to reduce its reliance on Oman's strained finances by selling assets, issuing bonds and refinancing debt to fund a \$7.9 billion spending plan over the next five years. State-owned OQ will shift focus from reinvesting in the company to achieving funding self-sufficiency. OQ sold \$750 million in seven-year bond at 5.125%.

### Interbank Rates

	USD	GBP	EUR	AED	SAR	BHD
1WK	0.0865	0.04163	-0.5803	0.1070	0.5829	1.033
1MO	0.11025	0.04763	-0.57057	0.2011	0.63571	1.712
2MO	0.1455	0.06938	-0.5546	-	-	1.305
3MO	0.17713	0.08825	-0.54257	0.3706	0.79571	1.325
6MO	0.21425	0.11075	-0.5250	0.5000	0.84286	1.400
12MO	0.28263	0.15988	-0.49057	0.6012	0.91571	1.667

Country	Indicator	Cons.	Prev.
US	Initial Jobless Claims	540 k	547 k
US	GDP Annualized QoQ	6.60%	4.30%
GE	CPI MoM	0.5%	0.5%
GE	CPI YoY	1.9%	1.7%

Sources: Reuters, Bloomberg

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	Last Price	1 Day	Net Chg	Day Low	Day High	1 Month	2020 Close	YTD	1Y	52Wk Low	52Wk High	
<b>Currencies</b>												
EURUSD	1.2127	→	0.01%	0.0001	1.2123	1.215	3.08%	1.2216	-0.7%	11.5%	1.0767	1.2349
GBPUSD	1.3957	↑	0.16%	0.0022	1.3934	1.3977	1.42%	1.367	2.1%	11.9%	1.2076	1.4237
AUDUSD	0.7789	→	-0.03%	-0.0002	0.7783	0.7818	2.04%	0.7694	1.2%	18.8%	0.6373	0.8007
NZDUSD	0.726	↑	0.07%	0.0005	0.7247	0.7287	3.73%	0.7184	1.1%	18.4%	0.5921	0.7465
USDCHF	0.9101	→	0.00%	0	0.9082	0.9105	-3.10%	0.8852	2.8%	-6.5%	0.8758	0.9784
USDJPY	108.73	↑	0.12%	0.13	108.44	108.75	-0.98%	103.25	5.3%	1.9%	102.59	110.97
USDCAD	1.2308	→	-0.05%	-0.0006	1.2288	1.2324	-2.25%	1.2725	-3.3%	-11.3%	1.2288	1.4173
USDCNY	6.4718	↓	-0.11%	-0.0072	6.4669	6.4745	-1.50%	6.5272	-0.8%	-8.6%	6.4236	7.1778
USDKWD	0.3011	→	0.03%	0.0001	0.3011	0.3011	-0.36%	0.30325	-0.7%	-2.5%	0.301	0.3064
Bitcoin	54388.7	↓	-0.09%	-49.96	53553.4	55220.5	-4.97%	28996.28	87.57%	508.82%	8199.27	64869.8
<b>Commodities</b>												
Brent	67.68	↑	0.61%	0.41	67.13	67.76	5.04%	51.8	31.01%	94.82%	20.53	71.38
WTI	64.22	↑	0.56%	0.36	63.65	64.29	5.35%	48.52	32.06%	105.90%	12.67	67.98
Gold	1780.5	↓	-0.07%	-1.18	1779.87	1790.02	3.99%	1898.36	-6.21%	3.92%	1670.71	2075.47
Silver	26.3652	↑	0.62%	0.1624	26.2015	26.4761	6.93%	26.4023	-0.14%	72.36%	14.65	30.1003
Platinum	1225.67	↑	0.33%	4.03	1221	1232.34	3.95%	1072.12	14.32%	56.93%	745.48	1339.73
Palladium	2952.01	↑	0.59%	17.4	2922.6	2954.43	16.19%	2448.81	20.55%	51.41%	1762.37	2963.64
<b>Rates</b>												
US Gov 2YR	0.17	↑	3.60%	0.0059	0.1641	0.17	22.57%	0.1211	40.38%	-19.51%	0.0972	0.2339
US Gov 10YR	1.6343	↑	1.55%	0.0249	1.6272	1.6361	-2.49%	0.9132	78.96%	166.65%	0.5019	1.7742
US Swap 5YR	0.9675	↑	2.66%	0.0251	0.927	0.9708	-2.37%	0.43	125.00%	129.70%	0.2381	1.111
US Swap 10YR	1.6377	↑	1.61%	0.026	1.6115	1.6398	-5.66%	0.9253	76.99%	156.69%	0.5002	1.7976
UK Gilts 2YR	0.059	↓	-9.23%	-0.006	0.055	0.088	-3.28%	-0.16	136.88%	-16.16%	-0.183	0.187
UK Gilts 10YR	0.797	↑	2.97%	0.023	0.792	0.844	5.28%	0.197	304.57%	164.92%	0.063	0.909
EU Gov 2YR	-0.683	↑	0.29%	0.002	-0.688	-0.683	4.48%	-0.7	2.43%	1.59%	-0.813	-0.586
EU Gov 10YR	-0.227	↑	1.73%	0.004	-0.231	-0.227	34.39%	-0.569	60.11%	51.60%	-0.67	-0.202
SAR Swap 2YR	0.962	↑	0.63%	0.006	0.9399	0.9622	-1.22%	1.0221	-5.88%	-22.73%	0.5975	1.25
SAR Swap 10YR	2.69	↑	1.32%	0.035	2.6646	2.6918	-10.17%	2.695	-0.19%	7.77%	2.035	3.045
SAIBOR 3M	0.79571	↓	-0.18%	-0.00143	0.79571	0.79571	-0.07%	0.8175	-2.67%	-35.68%	0.79571	1.23714
EIBOR 3M	0.37059	↓	-3.67%	-0.01413	0.37059	0.37059	-9.03%	0.5125	-27.69%	-76.92%	0.26604	1.54917
BHIBOR 3M	1.325	↑	2.98%	0.0383	1.325	1.325	4.36%	2.25	-41.11%	-32.63%	1.2333	2.3
<b>Indices</b>												
DJIA	33820.4	↓	-0.48%	-164.55	33805.6	33946.6	2.26%	30606.48	10.50%	40.14%	22789.6	34256.8
S&P 500	4183.18	↓	-0.08%	-3.54	4181.78	4201.53	5.34%	3756.07	11.37%	42.31%	2766.64	4201.53
NASDAQ	14051	↓	-0.28%	-39.185	14034.7	14133.7	6.94%	12888.28	9.02%	60.95%	8537.83	14175.1
DAX	15292.2	↑	0.28%	42.91	15266.6	15355.3	3.68%	13718.78	11.47%	43.45%	10160.9	15501.8
Nikkei 225	29054	↑	0.21%	62.08	28875.9	29139.7	-1.12%	27444.17	5.87%	46.95%	19448.9	30714.5
CAC 40	6306.98	↑	0.53%	33.22	6283.62	6320.11	4.85%	5551.41	13.61%	38.01%	4194.58	6320.11
FTSE 100	6963.67	↑	0.27%	18.7	6944.06	6986.7	3.38%	6460.52	7.79%	16.87%	5525.52	7040.26
Shanghai Compos	3466.62	↑	0.28%	9.554	3447.59	3473.91	0.91%	3473.069	-0.19%	22.82%	2800.74	3731.69
EURO STOXX 50	4015.03	↑	0.08%	3.12	4006.34	4026.74	3.40%	3552.64	13.02%	36.94%	2708.07	4040.88
DFMGI	2622.52	↑	0.09%	2.44	2618.68	2626.36	2.74%	2491.97	5.24%	30.86%	1854.31	2807.41
Abu Dhabi	6069.18	↓	-0.23%	-14.1	6060.13	6100.23	4.21%	5045.32	20.29%	43.75%	4015.11	6205.31
Tadawul	10531.2	↑	2.57%	264.05	10308.6	10540.2	9.52%	8689.53	21.19%	52.96%	6448.66	10540.2
Qatar Exchange	10940.6	↓	-0.26%	-28.3	10915.3	10974.3	5.97%	10435.96	4.84%	27.21%	8591.43	10976.3
Boursa Kuwait	6131.14	↑	0.94%	56.94	6080.49	6134.55	6.69%	5546.04	10.55%	26.49%	4668.63	6134.55
Bahrain Bourse	1486.19	↑	0.20%	3.01	1483.18	1486.19	1.93%	1489.78	-0.24%	13.64%	1226.91	1498.39
Muscat Securities 30	3743.52	↑	0.23%	8.64	3734.09	3743.52	1.61%	3658.77	2.32%	5.78%	3385.82	3782.36

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