WEEKLY UPDATE

26 April 2021

	Price	5 Day % Change	3 Month % Change	1yr % Change
S&P/ASX300	79,112	-0.03%	4.66%	39.32%
MSCI World Ex-Aus. (Unhedged)	12,884	-0.08%	7.78%	23.93%
MSCI World Ex-Aus. (Hedged)	2,348	-0.34%	7.96%	44.41%
Bloomberg AusBond 0+ Composite	10,412	0.00%	-2.19%	-0.98%
BloombergBarclays Global Agg. (Hedged)	1,090	0.08%	-1.64%	0.43%
S&P/ASX300 Property	56,936	-1.27%	4.66%	40.99%
FTSE EPRA Nareit Global Real Estate (Hedged)	2,878	0.57%	11.62%	34.93%
S&P Global Infrastructure (Hedged)	5,326	-0.40%	6.07%	23.73%
BarclayHedge Global Hedge Fund Index (USD)	6,880	N/A	7.21%	18.78%
VIX	17.3	6.65%	-24.72%	-51.77%
Bloomberg Commodity Index (USD)	88.40	2.17%	9.84%	46.75%
Iron Ore Index (62% Fe Aus. Off. China, USD)	187.00	5.95%	9.04%	117.44%
Coal 1st Future (Newcastle Export, USD)	93.00	-1.38%	8.27%	52.58%
Brent Crude 1st Future (USD)	66.11	-0.99%	19.31%	209.94%
LNG 1st Future (Japan/Korea)	8.20	-0.55%	-7.40%	300.00%
Gold in AUD	2,296	-0.03%	-4.56%	-15.47%
AUDUSD	0.7739	0.06%	0.34%	21.49%
AUDEUR	0.6405	-0.78%	0.81%	7.71%
AUDNZD	1.0760	-0.60%	0.46%	1.45%
AUDGBP	0.5583	-0.15%	-1.02%	7.59%
AUDJPY	83.5600	-0.71%	4.22%	17.97%

Source: Bloomberg, S&P Dow Jones, MSCI, FTSE Russell, BarclayHedge, 25th April 2021

The steady current of positive activity and earnings results goes on. But the prospect of higher US taxes hit equity markets last week. Rising virus cases also depressed investor sentiment.

The FOMC and Bank of Japan will meet this week, with no change to policy expected.

US and European Q1 GDP and Australian CPI figures will also be published as the global earnings season continues.

Last week the European (soccer) Super League came and went, the ECB and PBOC left policy unchanged, and iron ore hit a ten-year high.

Economic data was upbeat. Global trade continues to rise, with South Korean exports hitting +45% yoy in March. Australian retail sales (+1.4% mom, +9.1% yoy) beat forecasts, and Friday's PMI data showed that services are catching up with manufacturing in the US, UK and Australia. The data supports the strong NAB survey figures reported two weeks ago.

Earnings data was also very positive. With roughly a quarter of the S&P500 index having reported, earnings are up 51% so far, 34% ahead of estimates. European Stoxx 600 profits are up 171%, despite sales growth of only 3%.

However, the main news affecting stock markets was the announcement of a planned increase in capital gains tax in the US on those individuals earning more than $1m. The rate will almost double from 20% to 39.6%. Together with a 3.8% tax on investment income, the total Federal tax rate on the wealthiest individuals' investments could exceed the tax rate levied on salaries and wages. The administration hopes that the increase could generate as much as $1tn in revenue.

The Americans also announced an ambitious plan to cut emissions by 50% before 2030. Australia will maintain the existing 26%-28% target, the prime minister said.

US regulators are considering stricter disclosure requirements for investment firms in response to this year's implosion of Archegos Capital Management and trading gyrations in GameStop Corp. The former head of the CFTC, Gary Gensler, recently took up his position as head of the SEC. Having also taught a course on cryptocurrencies at MIT, it is highly likely that new regulation will be introduced with an emphasis on consumer protection. One of the first tasks will be to review a large number of outstanding bitcoin ETF applications.

In other executive action, the Federal government used its prerogative to cancel the "belt and road" agreements between Victoria and China.

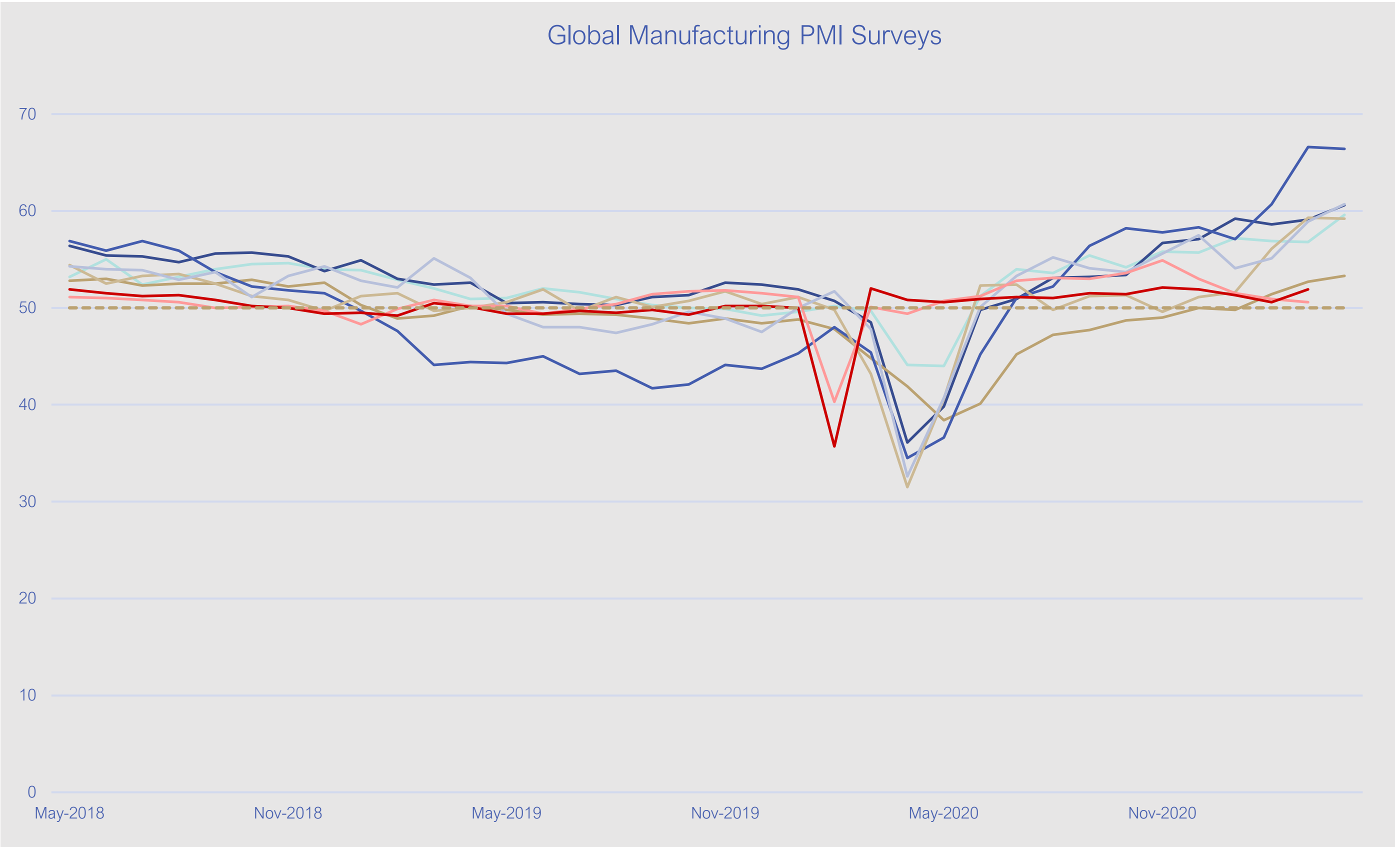
Rising virus cases are once again causing concern. Perth imposed a 3-day lockdown from Anzac Day until Tuesday after two people tested positive.

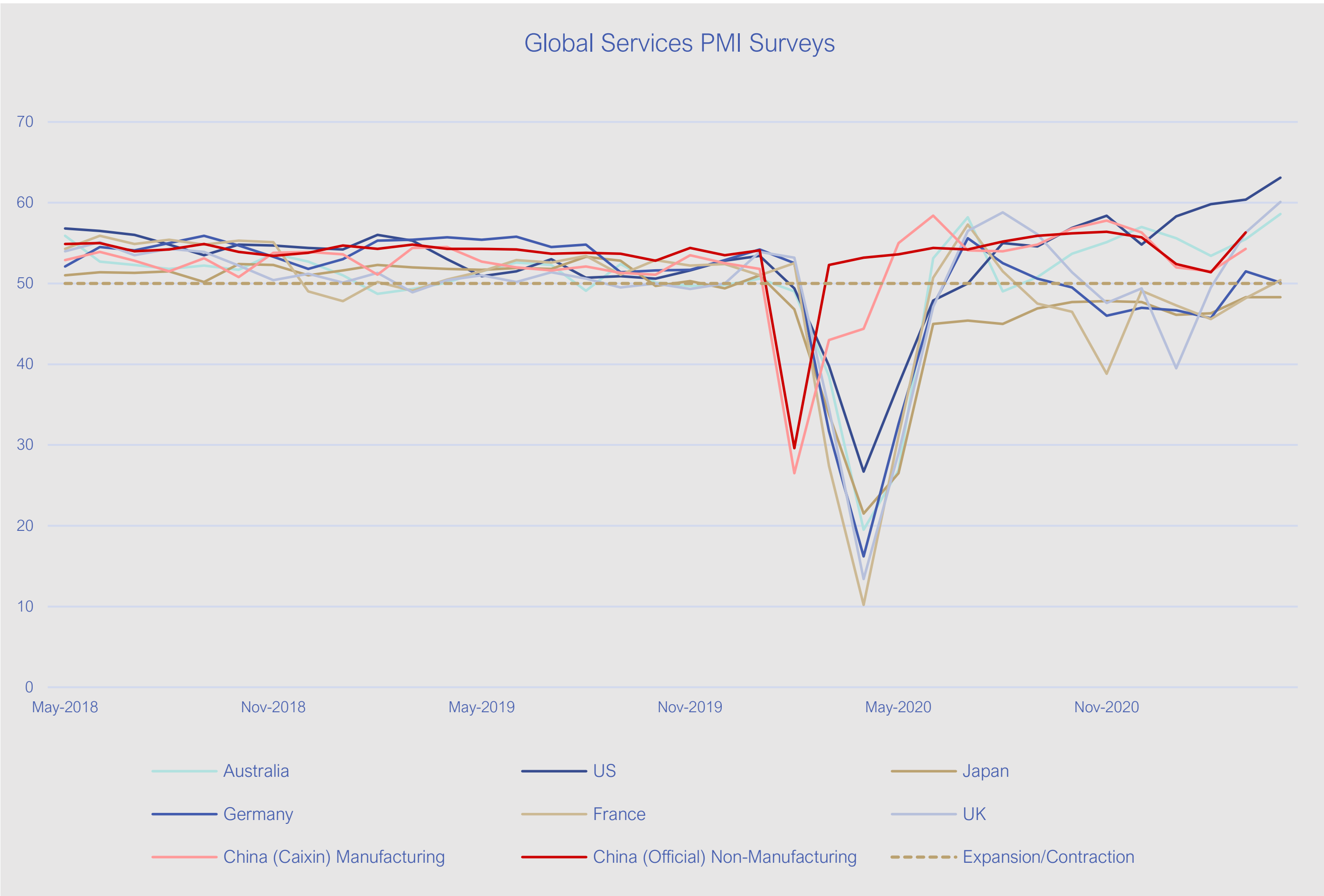
Tokyo has entered lockdown until May 11^{th,} and a state of emergency has been declared. The city is due to host the Olympic games in a matter of weeks.

Despite an Auckland airport staffer testing positive, the NZ travel bubble will remain open, while flights from India will be reduced by 30%. Reported cases are surging in India, and the actual figures may be significantly higher.

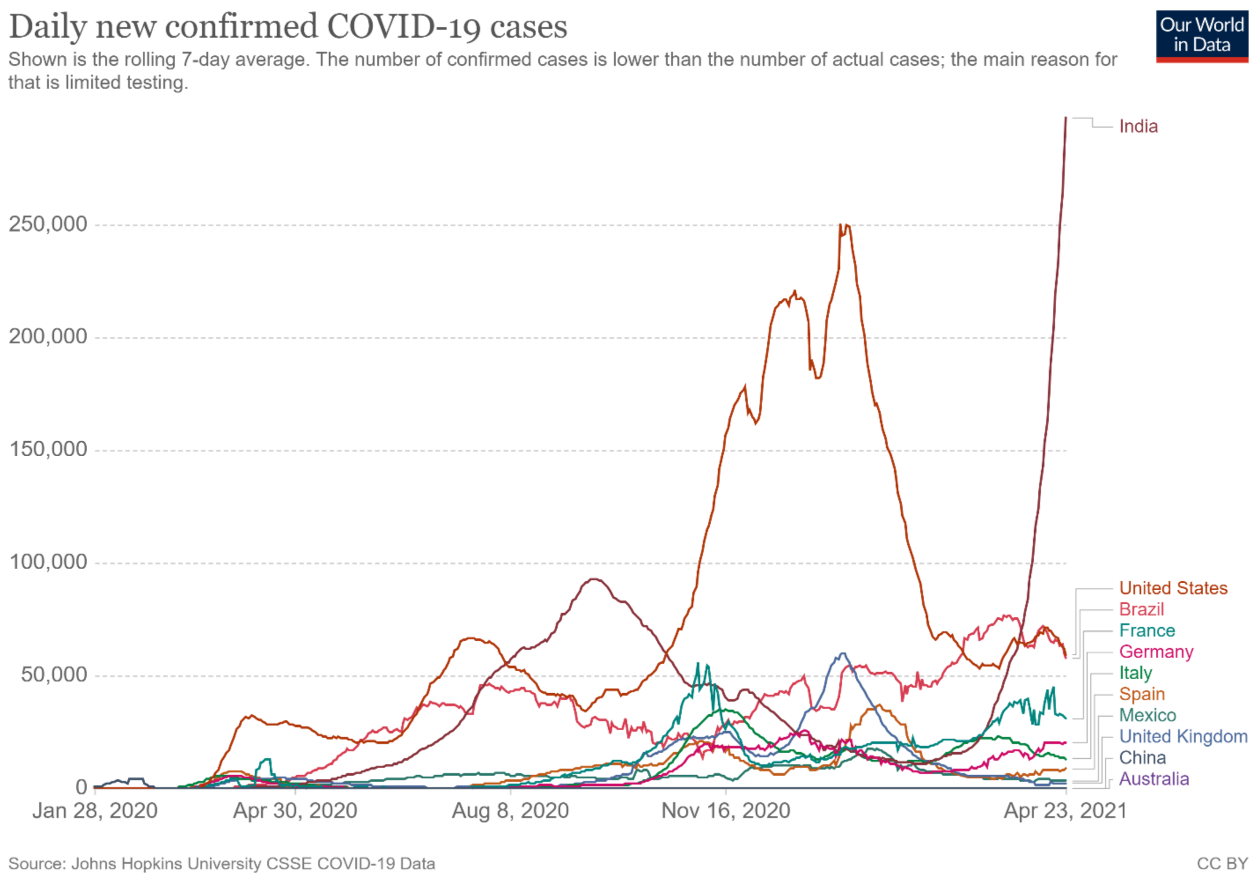
Like the Astra Zeneca jab, the Johnson & Johnson single-shot version has been linked to rare blood clots. Last week the American CDC lifted restrictions on using the treatment, finding that the benefits outweighed the risks. Shipments to Norway and the European Union also resumed. The Australian government has stated that an Astra Zeneca vaccine will be available to all over 50s. Victoria announced that it would commit $50m to establish a domestic vaccine manufacturing capability to produce mRNA vaccines like those developed by Pfizer and Moderna. But the vaccines are unlikely to be ready this calendar year.

This week, the Federal Reserve and Bank of Japan will hold meetings. No changes to policy are expected, and important Q1 data may upstage the meetings. CPI figures will be released in Australia, with economists polled by Bloomberg forecasting a +0.9% increase (+1.4% yoy). US GDP is expected to show a whopping +6.9% increase over the quarter, while the Eurozone is expected to report a decline of -0.8% on Friday. On Wednesday, Joe Biden will also address Congress for the first time as President.





Source: Bloomberg, IHS Markit, JPMorgan, Jibun, BME, CIPS, CFLP 25th April 2021


Daily new confirmed COVID-19 cases
Shown is the rolling 7-day average. The number of confirmed cases is lower than the number of actual cases; the main reason for that is limited testing.
Our World in Data
India
250,000
200,000
150,000
100,000
50,000
0
United States
Brazil
France
Germany
Italy
Spain
Mexico
United Kingdom
China
Australia
Jan 28, 2020
Apr 30, 2020
Aug 8, 2020
Nov 16, 2020
Apr 23, 2021
Source: Johns Hopkins University CSSE COVID-19 Data
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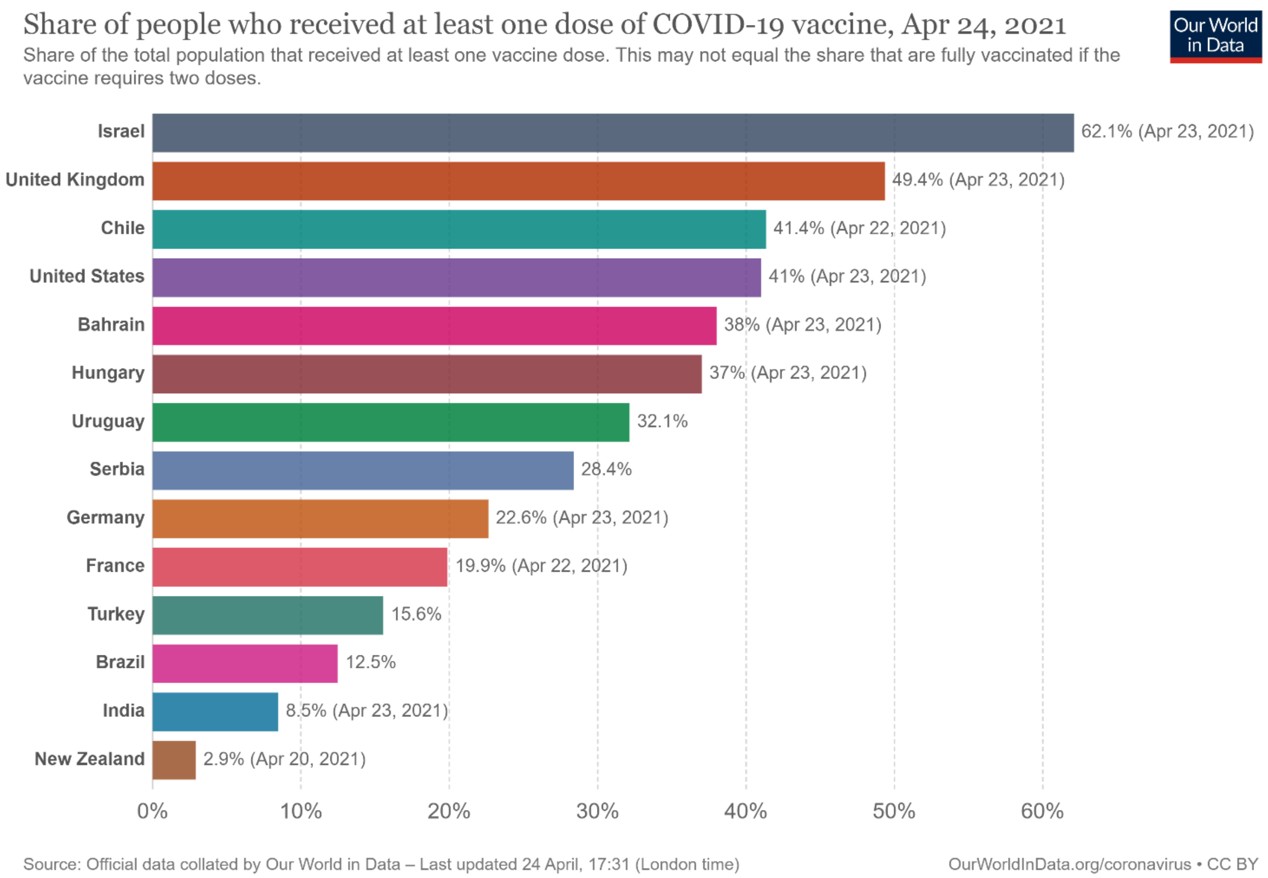
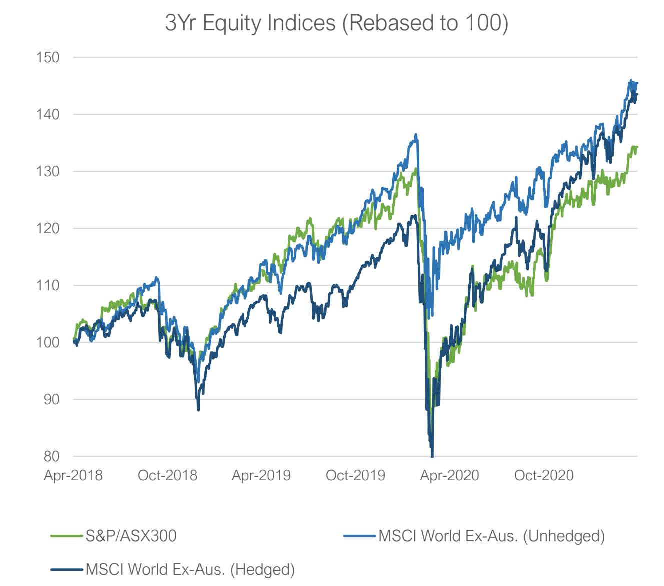
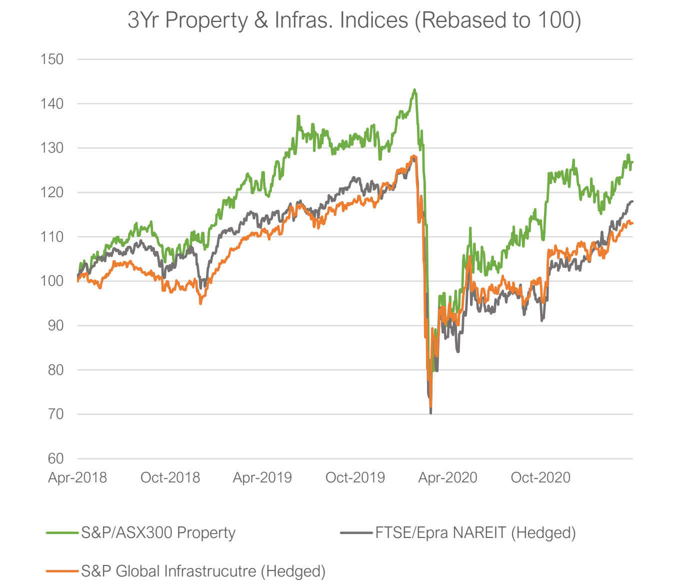
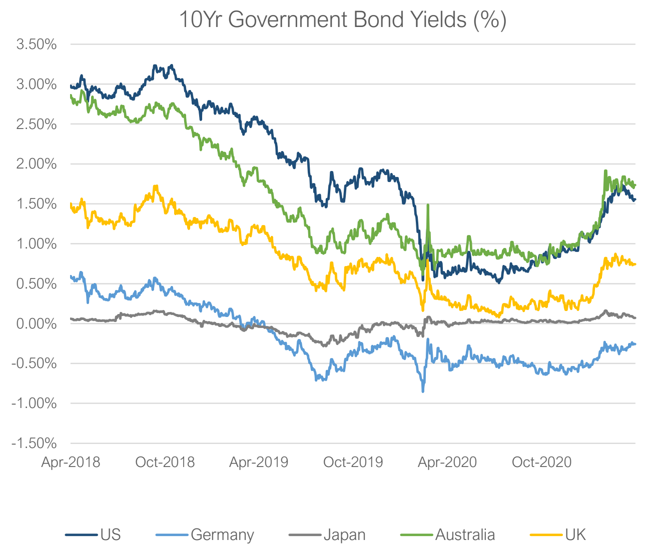

Share of people who received at least one dose of COVID-19 vaccine, Apr 24, 2021
Share of the total population that received at least one vaccine dose. This may not equal the share that are fully vaccinated if the vaccine requires two doses.
Our World in Data
Israel
62.1% (Apr 23, 2021)
United Kingdom
49.4% (Apr 23, 2021)
Chile
41.4% (Apr 22, 2021)
United States
41% (Apr 23, 2021)
Bahrain
38% (Apr 23, 2021)
Hungary
37% (Apr 23, 2021)
Uruguay
32.1%
Serbia
28.4%
Germany
22.6% (Apr 23, 2021)
France
19.9% (Apr 22, 2021)
Turkey
15.6%
Brazil
12.5%
India
8.5% (Apr 23, 2021)
New Zealand
2.9% (Apr 20, 2021)
0%
10%
20%
30%
40%
50%
60%
Source: Official data collated by Our World in Data – Last updated 24 April, 17:31 (London time)
OurWorldInData.org/coronavirus • CC BY

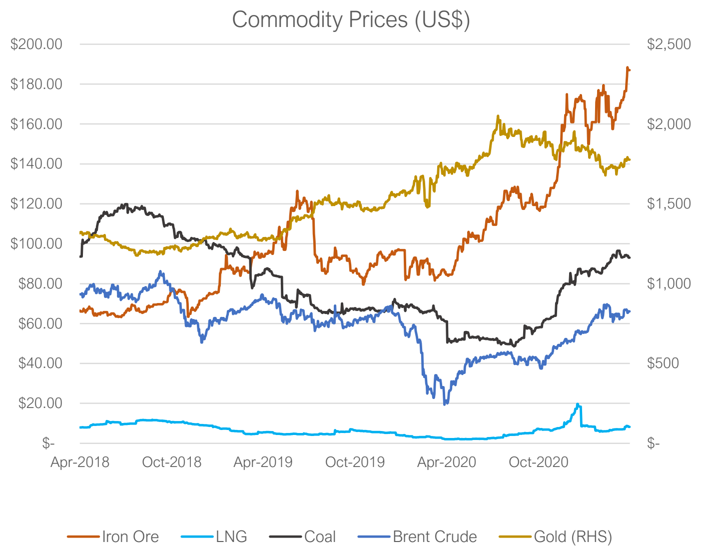
Significant Upcoming Data:

	Monday	Tuesday	Wednesday	Thursday	Friday
Australia		ANZ Roy Morgan Weekly Cons.Conf	CPI; ABS Weekly Payrolls; ABS Prelim. Merch Trade	Import/Export Prices	PPI; Private Sector Credit
US	Durable Goods; Retail Sales Rev.; Dallas Fed. Manuf. Activity;	Conf. Board Cons. Conf; Richmond Fed Manuf. Index; S&P CoreLogic House Prices; FHFA House Prices;	FOMC Rate Decision; Wholesale/Retail Inventories; Adv. Goods Trade; MBA Mortgage Applications	Q1 GDP (Advance); Personal Consumption; Core PCE; Pending Home Sales; Langer Cons. Comfort; Weekly Jobless Claims	MNI Chicago PMI; UMich Sentiment; Employment cost index; Personal Income/Spending; PCE Deflator;
Europe	IFO Surveys; Belgian Bus. Conf.; Spanish & Finnish PPI	Swedish Riksbank Int. Rates, Trade & PPI; Italian Manuf. & Cons. Conf.; Danish Retail Sales;	Bank Austria Manuf. PMI; Irish & Swedish Ret. Sales; French & German (GfK) Cons. Conf.	EZ M3 Money Supply & Cons. Conf.; German & Danish Unempl.; Spanish & German CPI; Italian PPI; Belgian Q1 GDP (Prelim);	EZ, French, German, Italian, Austrian & Spanish Q1 GDP (Prelim.); EZ, French & Italian CPI; EZ, Norwegian, Italian & Belgian Unemp.; Swiss KOF Leading Indicator; Spanish Curr. Acc.; French PPI; Swiss, Dutch & Spanish Ret. Sales; Finnish Trade
Japan	PPI Services	BoJ Policy Decision	Retail Sales; Dept. Store & Supermarket Sales	Showa Day	Ind. Production; Jibun Manuf. PMI; Housing Starts; Jobless Rate; Job-to-Applicant ratio; Tokyo CPI;
China		Industrial Profits			Official PMIs









Source: Bloomberg, S&P Dow Jones, MSCI, FTSE/EPRA, 25th April 2021

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