

## Markets Outlook

**Equities:** European indices are mixed on Friday, with traders in each nation digesting a slew of different CPI and GDP figures from across the continent.

Stronger Q1 earnings results from big tech names in the US have helped support markets this week - the S&P 500 index gained just under 2% yesterday in what was its strongest trading session since January 6th. However, it must be noted that the equal-weighted S&P 500 index (compared to the regular index which is weighted by market cap) has been far less convincing during this latest rally.

In other words, the US market is being dragged higher at present by strong gains from a small number of tech giants. This is a trend we will be watching closely over the coming weeks, and will report on in due course.

**Fixed income:** Sentiment has been mixed this week, and bonds are beginning to see some movement after what was a quiet few sessions last week for the asset class. Most government bond yields are falling in Europe this morning.

US 10yr yield is at 3.46%, German 10yr at 2.36%, UK at 3.74%.

## Friday, 28th of April

**Economic data:** Earlier this morning the Bank of Japan opted to leave rates unchanged at -0.10%, maintaining its ultra-dovish stance and stating that it will "patiently" continue with its yield curve control measures.

Individual Eurozone nations have been releasing April CPI and Q1 GDP results throughout the morning - with mixed results seen so far. The full Eurozone GDP figure is due out at 10am and is expected at a growth rate of 0.2% q/q. The region's full CPI figure will be out next Tuesday.

This afternoon at 1:30pm Irish time we will get the US 'Core PCE' result for the month of March - this is the Fed's preferred inflation metric and it is forecast to fall from 4.6% y/y to 4.5%. Later today we will also be hearing from Exxon Mobil, Chevron, Aon, and Colgate-Palmolive.

While Monday should be relatively quiet, since many regions around the globe have a May bank holiday, next week will include some crucial data points as well as corporate results from large firms in every sector and major region. Regular data: Eurozone and Swiss CPIs, Federal Reserve, ECB, and Eurozone, US, and Canadian jobs data. Pfizer, BP, Starbucks, Uber, Qualcomm, Heinz, Apple, Shell, ING, IAG, HSBC, UniCredit, Logitech, Airbus, BNP Paribas, Lloyds, and Lufthansa, will all be releasing.

## Key Events

28/04/2023 - Eurozone CPIs and GDPs

28/04/2023 - US Core PCE

30/04/2023 - Chinese PMIs

01/05/2023 - Bank Holiday (for many regions)

## Financial News

### Amazon

Amazon reported Q1 results after the closing bell on Wall Street on Thursday night. The numbers initially sent shares rallying when it emerged that earnings expectations were exceeded, however cautious comments around the slowdown seen in its key Amazon Web Services (AWS) cloud division saw the stock undo these gains and move lower in after-hours trade.

Revenue in the AWS unit increased by 16% in January-March, down from an annual growth rate of 37% seen one year prior. CFO Brian Olsavsky attempted to assuage investors' concerns by stating "we're not trying to optimize for any one quarter or year. We're working to build customer relationships and a business that will outlast all of us."

Net sales for the quarter came in at \$127.36b versus the \$124.7b estimates, while earnings per share stood at \$0.31 vs the \$0.20 expected. AWS net sales came to \$21.35b vs \$21.03b, and operating margin at the firm beat 2.38% forecasts at 3.7%.

### US GDP

US economic growth slowed last quarter by more than was widely expected, due to lackluster business investment and a pullback in inventories, which offset an increase in consumer spending.

Yesterday's GDP figure for the region came in at an annualized 1.1%, against the 2.0% forecasted by a group of analysts and down from the previous quarter's 2.6%. This is the US' slowest pace of expansion since Q2 of last year.

### Kingspan

Irish-based building materials firm Kingspan Group plc has announced a stronger set of quarterly results in its trading update, sending the shares higher on Friday morning. The company will also delist from the London Stock Exchange. Group sales rose by 4% and reportedly "approached €2bn". "The second quarter is a demanding comparative, perhaps less so on order intake which petered out in the second quarter of 2022 after a strong first quarter" it also said. Kingspan issued guidance for a trading profit of just over €400m for the first half of the year.

## Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	4,135	1.96%	7.71%
DAX	15,800	0.03%	13.48%
EuroStoxx 50	4,358	0.24%	14.88%
ISEQ	8,368	-1.09%	17.72%
FTSE 100	7,831	-0.27%	5.10%
Nikkei 225	28,842	1.35%	10.50%

FX	Value	Daily Change	YTD Change
EUR/USD	1.1027	-0.12%	2.88%
EUR/GBP	0.8823	-0.34%	-0.21%
GBP/USD	1.2487	0.16%	3.14%
USD/CHF	0.8941	0.34%	-3.21%
USD/JPY	133.94	0.21%	3.02%
EUR/JPY	147.71	0.10%	6.02%

Fixed Income	Value	Daily Change
US 10yr	3.528	0.083
US 2yr	4.080	0.132
German 10yr	2.451	0.065
Irish 10yr	2.848	0.023
UK 10yr	3.797	0.068
Japanese 10yr	0.422	-0.052