

Top things to know for the week ahead

Expect a strong reading in April's jobs growth for the US

Hiring in the US for April looks set for another spike as the domestic economy surges towards a recovery amid vaccinations and easing lockdown restrictions. As a result, a reading within or better-than-expected may spark concerns of taper talks within the FOMC and put downward pressure on risk assets. Still, we don't expect a number below or close to a million nonfarm payrolls being added to the US economy to be enough to tip the FOMC into taper talks. Instead, a second consecutive strong reading is likely to only boost confidence of central bankers on the trajectory of the recovery. Note that the current jobs deficit as of March remains above that of the peak of the Global Financial Crisis (-8.4 million in March vs -8 million at the peak of the GRC).

Consequently, we expect equities to continue to display an upside bias in the medium-term on the back of the improving labour market. That would also mean that we would view any overreaction to taper concerns to be more likely a buying opportunity than a fundamental move lower. More specifically, we would suggest increased exposure on large cap cyclical industries, and small caps for medium-term positioning to benefit from the reflation trade resuming assuming the thesis holds. We also note that there are premature signs of the resumption in commodities since late April but has not materialised in the before mentioned assets. That said, we acknowledge that the S&P500 is looking stretched and would be cautious for a possible consolidatory move lower in the short-term with an expected support at around 4,070's level.

Data Watch

Day	Time (GMT +8:00)	Related Currency	Events/Indicators
Mon	22:00	USD	United States ISM Manufacturing
Tue	12:30	AUD	Australia RBA Cash Rate Target
Wed	01:00	USD	United States Fed's Kaplan takes Part in Moderated Discussion
	06:45	NZD	New Zealand Participation Rate
	06:45	NZD	New Zealand Unemployment Rate
Thu	19:00	GBP	United Kingdom Bank of England Bank Rate
	19:00	GBP	United Kingdom BOE Corporate Bond Target
	20:30	USD	United States Initial Jobless Claims
	22:00	USD	United States Fed's Kaplan Takes Part in Moderated Q&A
Fri	13:45	CHF	Switzerland Unemployment Rate
	13:45	CHF	Switzerland Unemployment Rate SA
	15:00	CHF	Switzerland Foreign Currency Reserves
	20:30	USD	United States Change in Nonfarm Payrolls
	20:30	CAD	Canada Unemployment Rate
	20:30	CAD	Canada Participation Rate
	20:30	USD	United States Unemployment Rate
	20:30	CAD	Canada Hourly Wage Rate Permanent Employees YoY
	20:30	USD	United States Labor Force Participation Rate
	20:30	USD	United States Underemployment Rate

A resumption of the reflation trade may spark upside breakout

Oil remained trading in the range of US\$60-65 last week, though that upper limit may not be able to hold this week assuming that employment figures come in better-than-expected. Commodities are likely to benefit from the reflation trade and oil is unlikely to be the exception. That said, we expect upside to be muted relative to other commodities and risk assets, thanks to downside risk stemming from India's surge in infections and discussions surrounding a potential lifting of US sanctions on Iranian crude oil exports.

Commodities Against DXY (Rebased to 100)

4-week chart

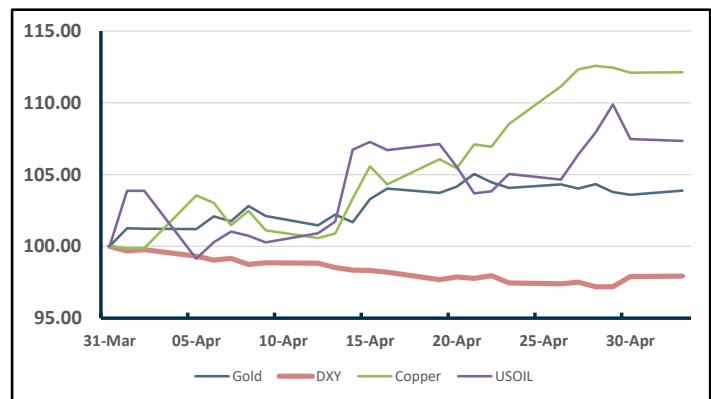


Chart Source: ADSS, Bloomberg

Weekly Market Snapshot

Index Returns					
	Latest Price	1 week	MTD	QTD	YTD
Equities					
S&P 500	4,181.17	0.02%	0.00%	5.24%	11.32%
DJ Industrial Average	33,874.85	-0.50%	0.00%	2.71%	10.68%
Nasdaq	13,860.76	-0.58%	0.00%	5.88%	7.55%
Euro Stoxx 50	3,974.74	-0.96%	0.00%	1.42%	11.88%
MSCI EAFE Small Cap	313.16	-0.45%	0.00%	3.79%	7.96%
FTSE 100	6,969.81	0.45%	0.00%	3.82%	7.88%
DAX	15,135.91	-0.94%	0.00%	0.85%	10.33%
CAC 40	6,269.48	0.18%	0.00%	3.33%	12.93%
Hang Seng	28,724.88	-1.22%	0.00%	1.22%	5.49%
MSCI World	2,938.76	-0.25%	0.00%	4.52%	9.25%
ASX 200	7,025.82	-0.49%	0.00%	3.46%	6.66%
NIKKEI	28,812.63	-0.72%	0.00%	-1.25%	4.99%
CSI 300	5,119.61	-0.21%	0.00%	1.27%	-1.37%
China A50	17,316.47	-0.54%	0.00%	0.15%	-1.82%
TWSE	17,567.53	1.54%	0.00%	6.91%	19.24%
Fixed Income					
Barclays Aggregate	540.55	-0.36%	0.00%	1.26%	-3.25%
Barclays Euro Aggregate	268.23	-0.46%	0.00%	-0.71%	-2.59%
Barclays US High Yield	2,383.53	0.20%	0.00%	1.09%	1.95%
Barclays Euro High Yield	431.09	0.15%	0.00%	0.44%	2.60%
Barclays TIPS	126.99	0.25%	0.00%	1.19%	-0.52%
JPM EMBI Global Divers	971.04	-0.23%	0.00%	2.22%	-2.42%
Other					
DJ US Real Estate	386.00	0.99%	0.00%	7.85%	15.26%
S&P GSCI	505.85	2.38%	0.00%	8.22%	23.54%
US Dollar Index	91.28	0.46%	0.00%	-2.09%	1.49%
VIX	18.61	7.39%	0.00%	-4.07%	-18.20%

Commodities					
	Latest Price	30/4/21	31/3/21	28/2/21	31/12/20
Prices					
WTI Oil (\$/barrel)	63.58	63.58	59.16	61.50	48.52
Brent Oil (\$/barrel)	67.25	67.25	63.54	66.13	51.80
Gold (\$/oz)	1,769.13	1,769.13	1,707.71	1,734.04	1,898.36
Silver (\$/oz)	25.92	25.92	24.42	26.67	26.40
Copper	4.48	4.48	4.00	4.09	3.52
Corn	7.40	7.40	5.64	5.56	4.84
Coffee	1.40	1.40	1.24	1.37	1.28
Natural Gas	2.93	2.93	2.61	2.77	2.54

Currencies					
	Latest Price	30/4/21	31/3/21	28/2/21	31/12/20
Prices					
EURUSD	1.2020	1.2020	1.1730	1.2075	1.2216
GBPUSD	1.3822	1.3822	1.3783	1.3933	1.3670
USDJPY	109.31	109.31	110.72	106.57	103.25
USDCNH	0.9131	0.9131	0.9436	0.9085	0.8852
USDCAD	1.2287	1.2287	1.2562	1.2738	1.2725
AUDUSD	0.7716	0.7716	0.7598	0.7706	0.7694
NZDUSD	0.7162	0.7162	0.6985	0.7233	0.7184
USDCNH	6.4735	6.4735	6.5647	6.4807	6.5028

Crypto Currencies					
	Latest Price	30/4/21	31/3/21	28/2/21	31/12/20
Prices					
BTC/USD	56,814.44	56,814.44	58,960.2	45,672.1	28,996.3
XRP/USD	1.5763	1.5763	0.5646	0.4235	0.2249
LTC/USD	266.51	266.51	195.69	167.56	124.11
DSH/USD	317.44	317.44	217.18	205.67	99.30

Rates & Spreads					
	Latest Rate	30/4/21	31/3/21	28/2/21	31/12/20
Rates					
Fed Funds Target	0.25%	0.25%	0.25%	0.25%	0.25%
ECB Depo Rate	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%
3 Month US Dollar Libor	0.18%	0.18%	0.19%	0.19%	0.24%
US Treasuries 2 Year	0.16%	0.16%	0.16%	0.13%	0.12%
US Treasuries 10 Year	1.63%	1.63%	1.74%	1.40%	0.91%
German Bunds 2 Year	-0.69%	-0.69%	-0.70%	-0.67%	-0.72%
German Bunds 10 Year	-0.20%	-0.20%	-0.29%	-0.26%	-0.57%
Japan Gov't Bonds 10 Year	0.09%	0.09%	0.09%	0.16%	0.02%
UK Gilts 10 Year	0.84%	0.84%	0.85%	0.82%	0.20%
Swiss Gov't Bonds 10 Year	-0.22%	-0.22%	-0.30%	-0.23%	-0.58%

Global Equity Returns YTD 2021

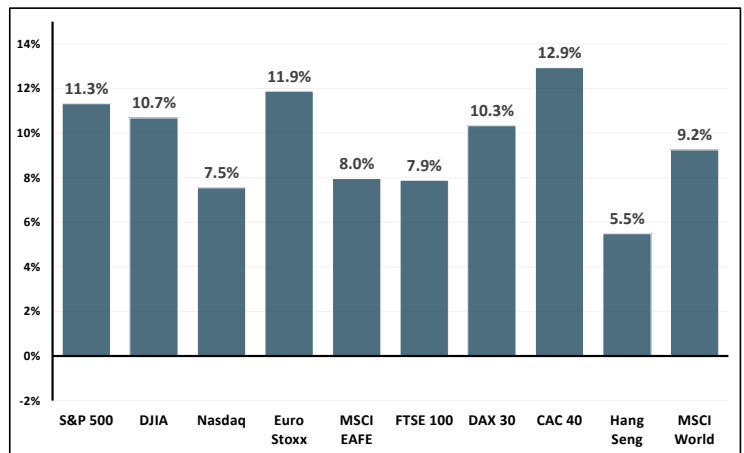


Chart Source: ADSS and Bloomberg as of the closing price on 30-Apr-21

Global Currency Returns (Weekly)

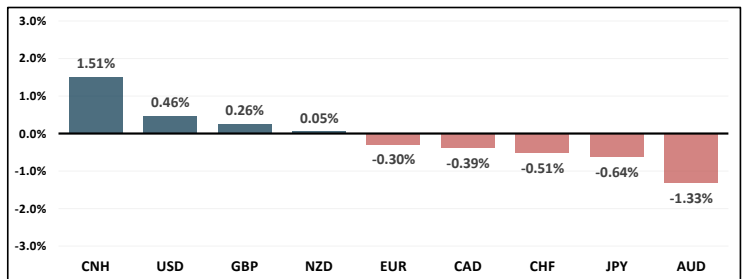


Chart Source: ADSS and Bloomberg as of the closing price on 30-Apr-21

Global Currency Returns YTD 2021

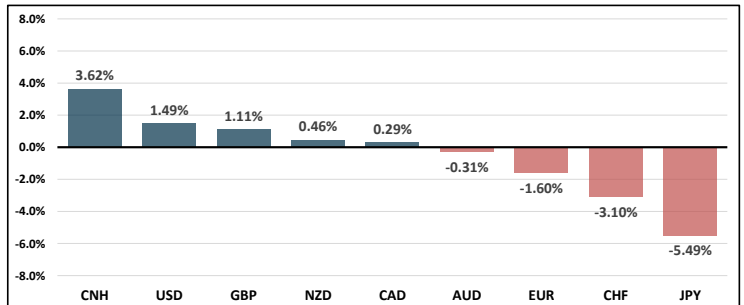
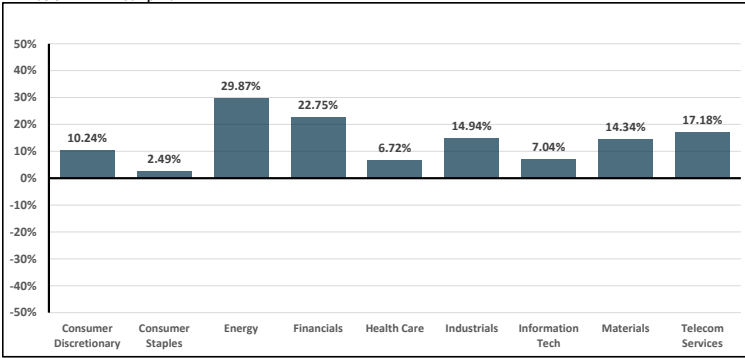


Chart Source: ADSS and Bloomberg as of the closing price on 30-Apr-21

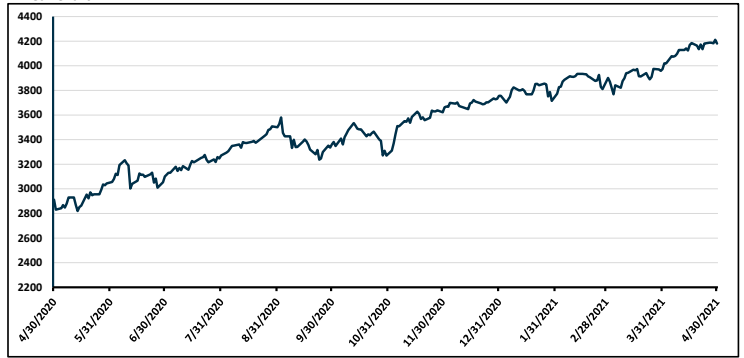
S&P 500 Index Sector Returns

YTD as of 30 Apr 2021



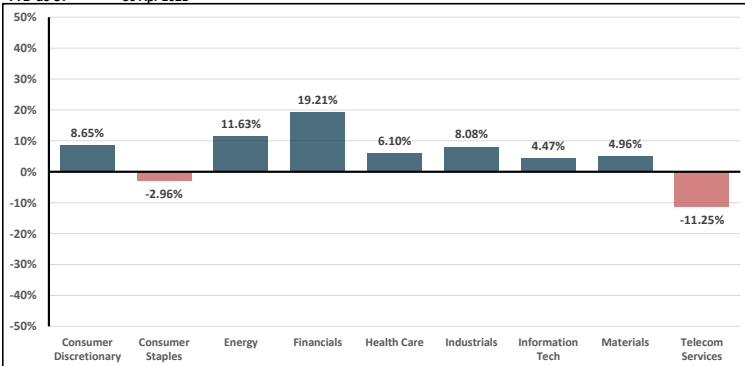
S&P 500 Index Trendline

1 Year Chart



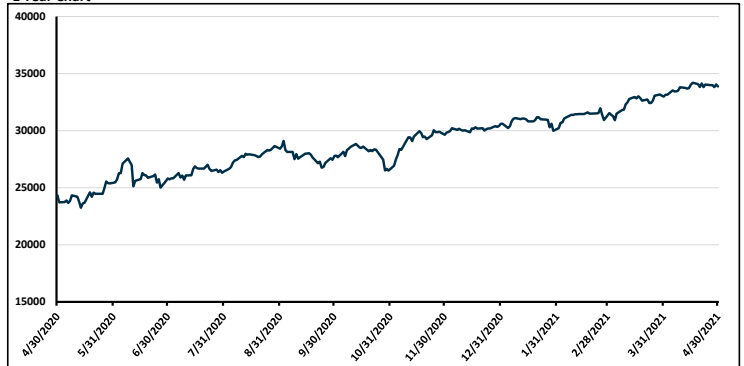
Dow Jones Industrial Average Index Sector Returns

YTD as of 30 Apr 2021



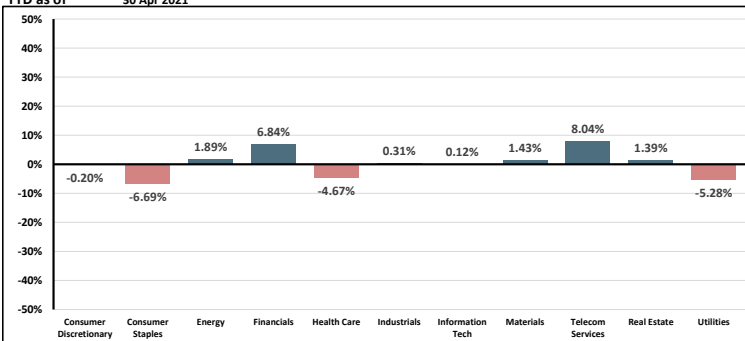
Dow Jones Industrial Average Index

1 Year Chart



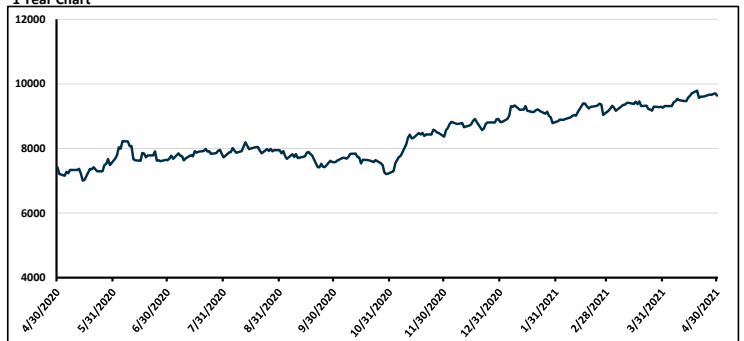
FTSE100 Index Sector Returns

YTD as of 30 Apr 2021



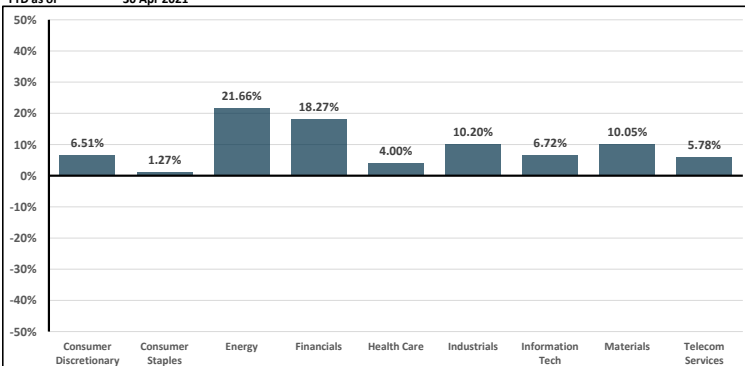
FTSE 100 Index

1 Year Chart



MSCI World Index Sector Returns

YTD as of 30 Apr 2021



MSCI World Index

1 Year Chart

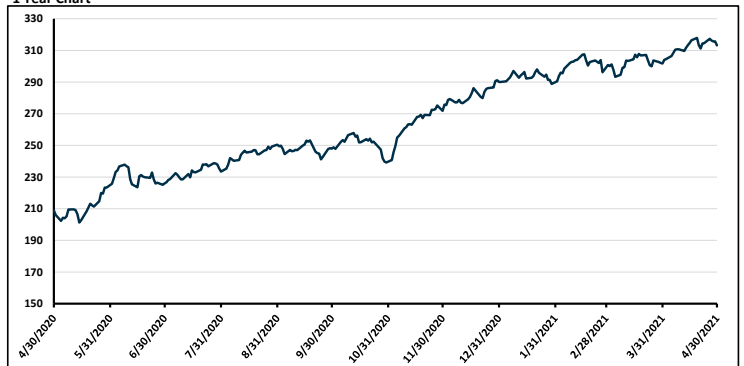


Chart Source: ADSS, Bloomberg

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