

Wealthpoint

Weekly market update

Market Summary

- The S&P 500 came close to its all-time highs and marked its third consecutive week of gains, thanks to a solid acceleration in first-quarter earnings in the US. About 90% of the S&P 500 companies have reported earnings, and results so far have surpassed analyst estimates by 8.5% and earnings are expected to grow around 10% this year.
- Bond markets continue to absorb the record-breaking treasury bond auctions in the US, buying up USD \$125 billion of Treasury bonds. The yield on the benchmark US 10-year bond ended the week relatively unchanged at 4.5%.
- In China, consumer price inflation (CPI) rose for the third straight month in April to 0.3% YoY, an improvement from the 0.1% increase in March. The producer price index (PPI) also showed some recovery, improving to -2.5% in April compared to -2.8% in March. This data suggests that domestic demand and prices are recovering in China.
- The Reserve Bank of Australia has decided to maintain the interest rate at 4.35%, citing an upside risk in inflation and indicating no expectation for a rate cut anytime soon.
- Key economic releases to watch for this week include US Fed Chair Powell's speech and the consumer price inflation (CPI) data for April, which is set to be released this Thursday.

Equities overview

	Fridays close	Week ago	Week Change %	YTD Change %
S&P 500	5,223	5,128	1.8%	10.1%
ASX 200	7,749	7,629	1.6%	1.6%
NZX 50	11,755	11,938	-1.5%	0.2%
Euro 600	521	506	3.0%	8.8%
China	3,666	3,604	1.7%	8.3%

Fixed Income overview

	Fridays close	Month ago	Year ago
NZ 10-YR bond	4.7%	4.7%	4.1%
NZ 2 YR-Bond	4.8%	4.7%	4.6%
US 10-YR Bond	4.5%	4.6%	3.5%
US 2-YR Bond	4.9%	5.0%	4.1%
OCR NZ	5.5%	5.5%	5.5%

Week Ahead

Date	Country	Release	Current	Market expectation
May 16	United States	Core Inflation Rate YoY (Apr)	3.8%	3.6%
May 16	United States	Retail Sales MoM (Apr)	0.7%	0.4%
May 16	Australia	Unemployment Rate (Apr)	3.8%	3.9%
May 17	China	House Price Index YoY (Apr)	-2.2%	-

NZD Exchange Rates

	Fridays close	Month ago	Year ago
NZD/USD	0.60	0.61	0.62
NZD/AUD	0.91	0.91	0.94
NZD/EUR	0.56	0.56	0.58

Disclaimer

The information in this document is provided for general information only and is not intended as advice. Past performance is not necessarily a good indicator of future returns. Data for this document has been sourced from, Morningstar Direct, RBNZ, FRED, Euro Stat, National Bureau of Statistics of China, Bureau of Labor Statistics, Reuters, ANZ and DailyFX. However, the information contained herein is not guaranteed and does not purport to be comprehensive.