

# Current Update

April 2021



## Market Talking Points

- Economic growth started to accelerate sharply as lockdown restrictions in UK, US and Europe began to be relaxed. Speed of relaxation possibly curtailed by risks from new variant and vaccine longevity.
- Vaccine rollout successful in UK, US and Israel. Europe and other regions accelerating but remain materially behind. Questions regarding unequal global vaccine provision to be discussed at G7 meeting in Cornwall.
- Broad equity indices remained positive with material switch from growth to more value orientated sectors. Financials out-performed technology for the first time this year in what was unusual sector behaviour during economic recovery.
- Inflation risk from rising commodity prices, consumer demand and constrained supply chains our topic in Rivers Current Focus. Whether inflation is 'transitory' or self-sustaining and its possible impact on interest rates and the recovery.**

## Rivers Asset Index Data

Anchors	1m	6m	12m	5yr*	20yr*	Eq Corr	5yr Vol
Cash Plus / Enhanced Cash	0.1%	0.5%	1.1%	1.5%	3.2%	-0.15	0.1%
High Grade Bond and Income	0.6%	-3.0%	-1.4%	3.6%	5.4%	0.15	5.0%
Low Risk Absolute Return	0.7%	-0.9%	0.2%	3.7%	3.0%	0.32	6.3%
Enhancers	1m	6m	12m	5yr*	20yr*	Eq Corr	5yr Vol
Developed Market Equity	4.0%	21.4%	29.1%	12.0%	7.1%	1.00	11.4%
Corporate, High Yield and Credit	1.9%	7.8%	17.9%	6.9%	7.5%	0.81	7.6%
Emerging Market Equity	1.7%	14.0%	33.2%	13.1%	10.2%	0.82	13.8%
Diversifiers	1m	6m	12m	5yr*	20yr*	Eq Corr	5yr Vol
Commodity Focused	7.1%	11.0%	25.7%	4.5%	2.7%	0.36	11.6%
Medium Volatility Absolute Return	1.8%	2.9%	4.6%	5.1%	3.3%	0.42	8.2%
Themes, Macro and Trend	2.2%	9.0%	8.1%	5.5%	5.9%	0.28	10.0%
Real Estate	3.7%	14.3%	13.5%	5.1%	7.7%	0.69	8.6%

\*Annualised returns above 1 year

## Key Recent Announcements

**US FED INTEREST RATE DECISION** - left federal funds rate unchanged at 0-0.25% and said it will continue to purchase bonds at a rate of \$120 billion a month despite acknowledging a rise in inflation

**US BOE INTEREST RATE DECISION** - kept its monetary policy unchanged during its May meeting, and announced a slowdown in purchases of GILTS to £3.4 billion per week, from £4.4 billion

**DE ZEW ECONOMIC SENTIMENT INDEX (MAY)** - Influential German survey jumped 13.7 points to 84.4 in May 2021, the highest level since February 2000 and well above market expectations of 72.0

**US INFLATION RATE YOY APR** - The annual inflation rate in the US soared to 4.2% in April of 2021 from 2.6% in March and well above market forecasts of 3.6%. The highest reading since September 2008

**UK INFLATION RATE YoY (APR)** - Annual inflation rate in the UK increased to 1.5% in April of 2021 from 0.7% in March, and compared to market forecasts of 1.4%. The highest reading since March 2020

**US NON FARM PAYROLLS** - The US economy added 266K jobs in April of 2021, following a downwardly revised 770K rise in March and well below market expectations of 978K

## Key Future Announcements

UK		Previous	Forecast
Friday May 21 2021	Markit/CIPS Manufacturing PMI	60.9	66.1
Wednesday June 02 2021	Nationwide Housing Prices YoY MAY	7.1%	10.3%
Friday June 11 2021	GDP 3-Month Avg APR	-1.5%	1.2%
Tuesday June 15 2021	Average Earnings incl. Bonus APR	4.0%	4.4%
Wednesday June 16 2021	Inflation Rate YoY MAY	1.5%	1.8%
GLOBAL			
Thursday May 27 2021	US Durable Goods Orders MoM	0.5%	0.3%
Monday, May 17, 2021	US Personal Spending MoM APR	4.2%	3.0%
Friday June 04 2021	US Non Farm Payrolls	266K	550K
Tuesday June 08 2021	German ZEW Economic Sentiment Index	84.4	75
Thursday June 10 2021	US Inflation Rate YoY MAY	4.2%	4.7%

For further information or enquires, professional advisors please contact the investment team directly on **020 3383 0180** or by emailing **info@riverscm.com**

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UK	30-Apr-21	31-Dec-20
FTSE 100	6,966	6,460
FTSE 100 % YTD	7.88%	
BoE Interest Rate	0.10%	0.10%
CPI	0.70%	0.30%
Govt, 10YR Yield	0.85%	0.20%
FTSE 350	4,002	3,697

Currency	30-Apr-21	31-Dec-20
GBP/USD	1.38	1.37
GBP/EURO	1.14	1.12

Commodity (\$)	30-Apr-21	31-Dec-20
Gold	1,767	1,893
Silver	25.87	26.57
Brent Crude Oil	66.76	51.80

Govt 10YR Bond	30-Apr-21	31-Dec-20
US	1.62	0.92
Japan (JGB)	0.09	0.03
Germany (Bund)	-0.20	-0.57

Global Markets	30-Apr-21	31-Dec-20
Dow Jones	33,874	30,606
Dax	15,135	13,719
CAC	6,269	5,551
Nikkei 225	28,812	27,444
Shanghai	3,447	3,473
Sensex	48,782	47,751
Nifty 50	14,631	13,981

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