

WEEKLY MARKETS ROUND-UP

Executive Summary

28th April 2025

Top news: further Big Tech earnings, the BoJ and Non-farm Payrolls on Friday – last week started with a sell-off on Monday yet was then positive for equities every day into Friday. The S&P500 and the EuroStoxx50 are now only 3% from their pre tariffs announcement levels, an extraordinary recovery. More specifically, Tesla widely deceived on sales and earnings Tuesday evening, yet managed to trigger a huge rally by announcing a first robotaxi service in Austin, Texas from this Summer. The stock rose 10% on the news and 18% into Friday. On Thursday post close, Alphabet beat on both revenue and earnings and rose 3.5%. On Friday, UoM Consumer Sentiment improved slightly (52.2 vs 50.6 exp. and 50.8 prev.) but 12m inflation expectations remained very high at 6.5% yet predominantly concentrated among Democrat voters. This week will see further US Tech earnings, with Meta and Microsoft on Wednesday after the close, and Apple and Amazon on Thursday after the close. Wednesday night the BoJ is then expected to keep its short term rate stable at 0.5%, while Thursday will see the INSM Manufacturing PMIs (48 exp. vs 49 prev.) and Friday the US Non-Farm Payrolls data (exp. 129k vs 228k last months). ISM Manufacturing Prices on Thursday and the NFP average hourly earnings on Friday will also be of interest to gauge if the persistent inflation fears are justified.

Equities: the S&P500 rose 4.6% last week, the Nasdaq100 6.4%, the EuroStoxx50 4%. These have hence recovered 11%, 14% and 11.5% resp. They remain (slightly) Oversold though, up from the deeply Oversold levels of 3 weeks ago.

Fixed Income: Bund yields were stable last week, yet have now retraced most (i.e. -40 bps) of their early March bounce. US Treasury yields have dropped almost 20 bps over the last 2 weeks. Both could continue to retrace into May/June as concerns over an economic slowdown grow. High Yield on the other hand has recuperated all of its recent losses.

Forex: USD dropped last Monday and then recovered into Friday vs most currencies. It remains very Oversold for now. EM and Commodity currencies were relatively strong reflecting a risk-ON attitude, which may persist this week.

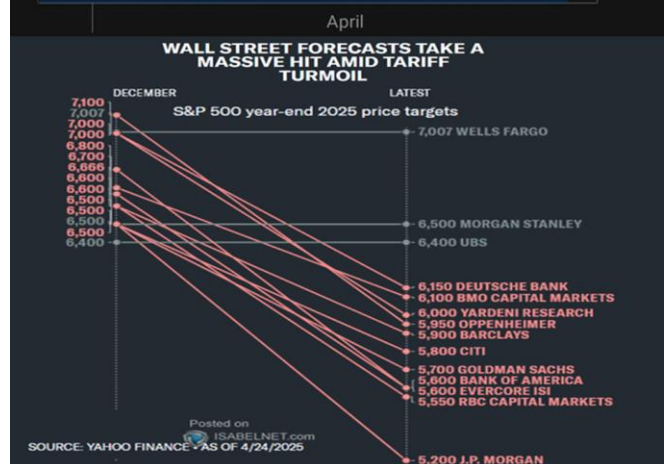
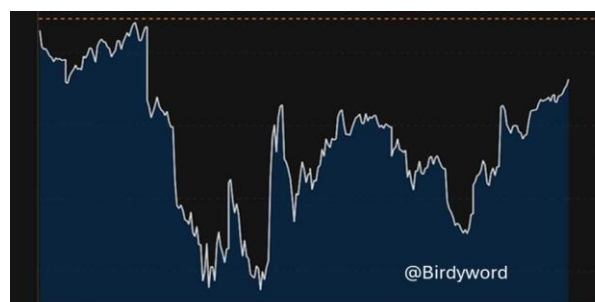
Commodities: Brent was neutral last week and remains slightly Oversold despite a >10% bounce from its lows 2 weeks ago. Gold did make new highs early last week, but then retraced these gains. It remains slightly Overbought.

	Currencies	Price	Performance since 52 Week Low			Performance since 52 Week High			Performance	Trend	Exaggeration
			Date Low	Low Price	Rise %	Date High	High price	Decline %			
S&P500 Index	USD	5 525	Apr-25	4 983	10,9%	Feb-25	6 144	-10,1%	-6,1%	down	slightly OS
Nasdaq100 Index	USD	19 433	Apr-25	17 090	13,7%	Feb-25	22 176	-12,4%	-7,5%	down	slightly OS
Dow Jones Industrials Index	USD	40 114	Apr-25	37 646	6,6%	Dec-24	45 014	-10,9%	-5,7%	down	slightly OS
EuroStoxx50	EUR	5 154	Aug-24	4 572	12,7%	Mar-25	5 541	-7,0%	5,3%	neutral	neutral
Swiss Market Index	CHF	11 942	Apr-25	10 888	9,7%	Mar-25	13 167	-9,3%	2,9%	neutral	neutral
Nikkei225	JPY	35 706	Apr-25	31 137	14,7%	Jul-24	42 224	-15,4%	-10,5%	down	slightly OS
Shanghai Composite	CNY	3 295	Sep-24	2 704	21,9%	Oct-24	3 490	-5,6%	-1,7%	neutral	neutral
US 10Y Treasury Yield	%	4,26%	Sep-24	3,62%	0,6%	Jan-25	4,79%	-0,5%	-0,3%	neutral	neutral
German 10Y Bund Yield	%	2,47%	Dec-24	2,03%	0,4%	Mar-25	2,89%	-0,4%	0,1%	up	neutral
US 20Y Treasuries (TLT ETF, 17-18Y duration)*	USD	89	Apr-25	86	3,4%	Sep-24	100	-11,4%	0,8%	neutral	neutral
US Investment Grade (LQF ETF - 8-9Y duration)*	USD	108	Apr-24	103	4,4%	Sep-24	113	-4,4%	1,2%	neutral	neutral
US High Yield (HYG ETF, 3-4Y duration)*	USD	79	Apr-24	74	6,5%	Nov-24	80	-1,1%	0,8%	neutral	neutral
EM USD Sovereigns (EMB ETF, 7-8Y duration)*	USD	90	Apr-24	84	8,1%	Sep-24	92	-1,9%	2,2%	neutral	neutral
EUR/USD		1,14	Jan-25	1,02	10,9%	Apr-25	1,15	-1,3%	9,7%	up	OB
GBP/USD		1,33	Jan-25	1,22	9,4%	Sep-24	1,34	-0,8%	6,4%	neutral	OB
USD/JPY		144	Sep-24	141	2,2%	Jul-24	162	-11,0%	-8,6%	down	slightly OS
USD/CHF		0,83	Apr-25	0,81	2,3%	Apr-24	0,92	-9,9%	-8,8%	down	OS
AUD/USD		0,64	Apr-25	0,60	7,5%	Sep-24	0,69	-7,5%	3,4%	neutral	slightly OB
Brent Oil (per Barrel)	USD	67	Apr-25	63	6,4%	Apr-24	88	-24,4%	-10,6%	down	slightly OS
Gold Spot (per Ounce)	USD	3 316	Apr-24	2 286	45,1%	Apr-25	3 424	-3,2%	26,3%	up	slightly OB

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Recovery focus: a rare and powerful upside momentum reversal was triggered

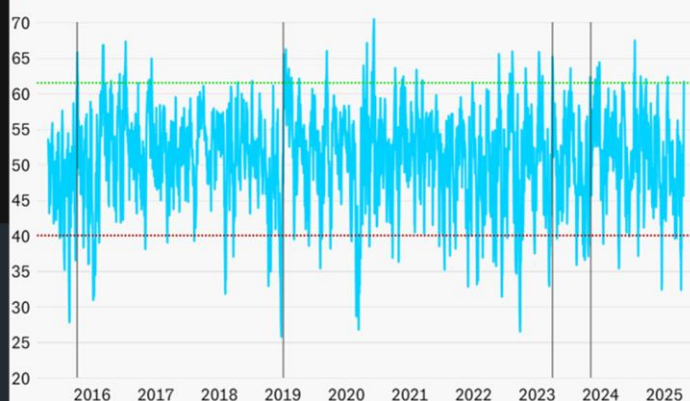
April 2025 will likely prove one of the more volatile and uncertain equity market periods, with a 15% drop in 3 days following the tariffs announcement, two consecutive 1-day 9% and 11% rallies, a 7% downside retest and finally an 8% rally last week. The S&P500 is now only 3% below its early April highs (i.e. an 80% recovery, top-left graph), while most investment banks have widely revised their S&P500 yearend targets lower (from the high 6'000s on average last December to the high 5'000s today – bot-left). Yet, these banks may have been whipsawed, as over the last three weeks, this amazing reversal has triggered a rare and powerful momentum turn-around. This breath thrust, the Zweig Breadth Thrust, only happened 18 times since WWII. It usually takes place at the start of a new bull market and is triggered when the 10 days moving average of the ratio of daily advances vs all NYSE issues moves from Oversold below 40% to above 61.5% in less than 10 days (top-right). Its track record is flawless with 100% of bullish outcomes over 6 and 12 months, resp. +15% and +23% on average (bot-left).



Trust the Thrust?

Zweig Breadth Thrust triggered on Thursday after another strong session

10-day exponential moving average of NYSE advancing issues as share of total



Note: vertical lines are previous times when Zweig Breadth Thrust triggered.

Source: Bloomberg, Carson Group

Zweig Breadth Thrust (ZBT) Signals Since WWII

18 ZBTs	S&P 500 Index Returns			
	1 Month	3 Months	6 Months	12 Months
Average	4.8%	7.6%	14.8%	23.4%
Median	4.8%	8.4%	13.2%	24.8%
% Higher	94.7%	78.9%	100.0%	100.0%

Source: Carson Investment Research, Ned Davis Research, FactSet 04/24/2025

Notes:

- Trend last 6 months:** this Primis original algorithm, weighs the slope of the trend over the last 6 months vs the slope of the trend over the last 3 months yet factorised by the Fibonacci retracement ratio (0.618). Values are normalised using the average price over each period. If this combined slope is above +0.05% the trend is then "up", below -0.05% then "down", otherwise it is "neutral".
- Overbought (OB) / Oversold (OS) measures:** this Primis original algorithm is computed by comparing the difference between the 8 days moving average and the 100 days combined with the 3 days vs the 15 days one and normalises this difference by dividing it by the 1 year standard deviation (circa 260 open market days). Values above 225% or under -225% are Overbought "OB", resp. Oversold "OS", values above 100% or under -100% are "slightly OB", resp. "slightly OS", otherwise there is no relevant exaggeration and the situation is then "neutral".

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