

# Morning Brief

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## **QUICK SUMMARY OF THE MARKETS LAST SESSION**

US equities retreated from record highs on Thursday, pulled lower by a sharp selloff in enterprise software and renewed geopolitical anxiety over stalled US-Iran peace negotiations. The Dow Jones Industrial Average closed at 49'310 (-0.4%), the S&P 500 at 7'108 (-0.4%), and the Nasdaq Composite led the decline at 24'439 (-0.9%). Breadth was poor, with only 36.5% of issues advancing; the session split sharply between software names that sold off on earnings disappointments and defensives, utilities (+2.8%), industrials (+1.8%), and staples (+1.7%), that attracted rotation flows.

In Europe, the DJ STOXX 600 closed at 614 (-0.8%), the FTSE 100 at 10'457 (-0.8%), and the Swiss SMI at 13'248 (-0.7%), weighed by elevated oil prices and Germany's decision to halve its 2026 GDP growth forecast to 0.5% amid Strait of Hormuz disruption.

This morning in Asia, the Nikkei 225 closed at 59'716 (+1.0%), with the Hang Seng roughly flat at 25'951 and the Shanghai Composite easing to 4'081 (-0.3%).

The primary rates driver was the sustained Middle East risk premium: the US 10-year Treasury yield rose 3 basis points to 4.32% while the 2-year settled at 3.80%, reinforcing market expectations for a Federal Reserve hold at the approaching FOMC meeting. WTI settled near \$96 (+3.1%), while gold eased to around \$4'674 per ounce (-1.0%), as the ceasefire extension modestly reduced safe-haven urgency even as the Hormuz disruption persisted.

## **WHAT TO WATCH IN THE MARKET TODAY**

The session setup is cautiously constructive following the Nikkei's positive close, but US futures point to a muted open given lingering software sector pressure and unresolved Iran risk.

Today's Advance Durable Goods for March (08:30 ET) and the final University of Michigan Consumer Sentiment reading (10:00 ET) are the key domestic data points.

Factor rotation risk is elevated: Thursday's defensive leadership in utilities and staples may extend if Durable Goods disappoint, while software names remain exposed to further positioning adjustment.

## **KEY HIGHLIGHTS YESTERDAY**

Thursday's earnings season dynamic was dominated by the disconnect between solid reported results and punishing market reactions.

IBM posted Q1 revenue of \$15.9 billion (+9% year-over-year), EPS of \$1.91 versus the \$1.81 consensus, and margins expanding 140 basis points, but management's decision to maintain unchanged full-year guidance disappointed investors who had priced in an upgrade, sending the stock down roughly 8%.

ServiceNow grew Q1 subscription revenues 22% to \$3.67 billion, beat all guidance metrics, and raised its full-year subscription revenue outlook, yet shares fell close to 18% as the CFO flagged incremental conservatism on Middle East headwinds.

On the upside, Texas Instruments surged 19% and United Rentals gained 24% after Q1 EPS of \$9.71 (versus \$8.95 consensus) and a raised full-year revenue guidance to \$16.9-\$17.4 billion.

## **MACRO RELEASES TO WATCH TODAY**

Today's Advance Durable Goods Orders for March is the session's key US data release and the most important read on near-term business investment intentions.

February's headline fell -1.4%, distorted by a -28.6% drop in nondefense aircraft, while the more reliable core capital goods orders, non-defense, ex-aircraft, remained relatively resilient.

A rebound in March would dovetail with Thursday's manufacturing PMI beat of 54.0 (versus a 52.5 consensus) and validate continued capex momentum; a consecutive miss would deepen concerns about the Q1 growth deceleration already flagged by the Atlanta Fed's GDPNow model, currently tracking at 1.2% annualized as of April 21.

The Michigan Consumer Sentiment final print will be closely parsed for revisions to long-term inflation expectations, a variable the Fed has flagged as a key input.

### **MOST IMPORTANT NEWS YESTERDAY**

The IBM and ServiceNow selloffs triggered a broad contagion across the enterprise software complex, Salesforce fell 4.5%, Oracle shed 3.0%, and Microsoft declined over 3%, raising questions about whether corporate IT spending is slowing as Middle East disruption weighs on regional budgets and contract conversions.

Meta confirmed it will lay off approximately 10% of its global workforce, around 8'000 employees, redirecting capital aggressively toward artificial intelligence infrastructure.

Microsoft separately announced the first voluntary buyout programme in its 51-year history, targeting senior director-level staff, highlighting cost discipline across large-cap technology at a time of rising AI capex commitments.

### **BIG CAPS TO FOLLOW TODAY AND WHY**

Intel (INTC) is the standout name in today's session after reporting after the close yesterday, revenue of \$13.6 billion (\$1.4 billion above guidance midpoint), non-GAAP gross margin of 41% (650 basis points above guidance), and non-GAAP EPS of \$0.29 versus breakeven guidance, with AI-driven businesses representing 60% of revenue and growing 40% year-over-year; the stock gained around 2% in after-hours trading and the Q2 guide of \$13.8-14.8 billion will be carefully scrutinised at market open.

Enterprise software names Salesforce and Oracle deserve close attention for any stabilization following Thursday's contagion, though positioning is likely to remain cautious.

Texas Instruments and United Rentals, the two large-cap outperformers of the prior session, will be monitored for follow-through buying or profit-taking given the scale of their single-session moves.

### **IMPORTANT EARNINGS IN THE LAST FEW DAYS**

The broader earnings regime reads as strong on headline beats but increasingly selective on guidance quality, with the Middle East as the dividing line. On the consumer side, L'Oréal surged roughly 9% on its fastest quarterly sales growth in two years, validating premium demand resilience.

GE Vernova raised its full-year 2026 revenue guidance to \$44.5-45.5 billion, and Siemens Energy echoed that upward revision, both confirming that electrification and AI power infrastructure represent a structural, multi-year demand tailwind.

With 87 S&P 500 companies having reported, 81% have beaten EPS estimates and 76% have surpassed revenue expectations, a solid aggregate beat rate that nonetheless conceals mounting dispersion in guidance quality between energy-affected and energy-insulated businesses.

### **MOST IMPORTANT GLOBAL MACRO RELEASES EXPECTED**

The Federal Reserve's April 28-29 FOMC meeting is the dominant macro catalyst, with the decision and press conference scheduled for April 29. A hold at the 3.50%-3.75% target range is near-universally priced; the real risk is a hawkish-hold outcome in which the Fed signals reduced confidence that the energy-driven inflation spike is transitory, which would push the 10-year yield above 4.40% and compress growth equity multiples further.

The Q1 2026 GDP advance estimate, due April 30, will likely confirm a meaningful deceleration from the post-Q3 2025 run-rate, with GDPNow's 1.2% annualized reading flagging downside to the 2.0-2.5% consensus; the composition, real consumption versus inventory effects, will determine whether markets read a soft print as cyclical softness or a structural concern.

MARKET DATA

EQUITY															
	Futures	Last	% 1D	% WTD	% MTD	%YTD		Last	% 1D	% WTD	% MTD	%YTD			
Europe	CAC 40	-0.79%	8 227.32	0.9%	-2.3%	5.2%	1.0%	MSCI WORLD	4 613.01	-0.4%	-0.8%	8.3%	4.1%		
	DAX 30	-0.03%	24 155.45	-0.2%	-2.2%	6.5%	-1.4%	GROWTH	7 082.47	-1.0%	-0.9%	11.6%	2.0%		
	SMI 20	-0.56%	13 248.06	1.4%	-1.3%	3.7%	-0.1%	VALUE	4 614.80	0.2%	-0.7%	5.5%	6.2%		
	SPI	-	18 705.52	1.2%	-0.9%	4.9%	2.7%	MOMENTUM	5 140.17	-0.1%	-0.6%	14.2%	8.8%		
	FTSE MIB 40	-0.67%	47 907.41	0.3%	-2.0%	8.1%	6.6%	LOW VOL	2 456.96	0.2%	-0.9%	1.2%	2.3%		
	EUROSTOXX 50	-0.38%	5 894.73	-0.2%	-2.7%	5.8%	1.8%	QUALITY	4 923.82	-0.2%	-0.9%	8.3%	3.9%		
	DJ STOXX 600	-0.56%	614.20	0.1%	-2.0%	5.3%	3.7%	SIZE	6 688.60	-0.3%	-1.2%	6.7%	5.1%		
FTSE 100	-0.54%	10 457.01	-0.2%	-2.0%	2.8%	5.3%	HIGH DIV.	1 822.69	0.8%	-0.5%	2.2%	5.8%			
							SMALLCAP	725.27	-0.5%	-1.3%	8.2%	9.3%			
America	S&P 500	0.13%	7 108.40	-0.4%	-0.2%	8.9%	3.8%	MSCI USA	6 775.18	-0.4%	-0.2%	8.9%	3.7%		
	NASDAQ COMP	0.62%	24 438.50	-0.9%	-0.1%	13.2%	5.1%	ENERGY	448.78	0.7%	3.4%	-7.6%	26.8%		
	S&P 500 EW	-	8 199.89	-0.1%	-0.4%	5.4%	5.6%	MATERIALS	471.07	-0.3%	-0.6%	3.8%	12.8%		
	S&P 400 MIDCAP	-0.01%	3 633.36	-0.0%	-0.4%	7.6%	9.9%	INDUSTRIALS	680.04	1.8%	0.5%	8.1%	13.3%		
	S&P 600 SMALLCAP	-	1 649.97	-0.0%	0.1%	9.0%	12.4%	CONSUMER DISC.	799.10	-1.0%	-1.7%	10.2%	-0.5%		
RUSSELL 2000	-0.10%	2 775.10	-0.4%	-0.1%	11.2%	11.8%	CONSUMER STAPLES	362.42	1.7%	1.6%	2.2%	9.7%			
Asia	NIKKEI 225	0.98%	59 716.18	1.0%	2.1%	16.9%	18.6%	HEALTH CARE	469.92	-0.1%	-1.8%	-0.5%	-6.0%		
	HANG SENG H	-	25 977.23	0.2%	-0.7%	4.8%	1.4%	FINANCIALS	285.50	-0.9%	-1.3%	5.0%	-5.6%		
	SHANGHAI COMP A	-	4 079.90	-0.3%	0.7%	4.8%	2.8%	IT	1 303.26	-1.4%	0.8%	16.2%	5.2%		
	SHENZHEN COMP A	-	2 743.05	-0.6%	-0.0%	8.2%	8.4%	COMM. SERVICES	149.77	-0.4%	-1.7%	12.2%	3.8%		
EM	BOVESPA	-	191 378.43	-0.8%	-2.2%	2.1%	18.8%	UTILITIES	274.23	2.8%	-0.0%	0.6%	7.9%		
	SENSEX	-	77 664.00	-1.1%	-1.1%	7.9%	-8.9%	MSCI EUROPE	204.85	0.1%	-1.9%	5.2%	3.6%		
Indices Total Return	MSCI WORLD 100% H Sfr NTR	-	2 555.91	-0.3%	-0.6%	8.0%	4.8%	ENERGY	204.27	0.3%	5.1%	-6.7%	31.4%		
	S&P 500 TR	-	15 862.55	-0.4%	-0.2%	8.9%	4.2%	MATERIALS	395.30	0.4%	-0.4%	7.1%	12.6%		
	MSCI USA NTR	-	20 495.72	-0.4%	-0.2%	9.0%	4.0%	INDUSTRIALS	531.70	0.6%	-2.9%	9.5%	7.2%		
	MSCI EUROPE NTR	-	419.74	0.1%	-1.8%	5.6%	4.6%	CONSUMER DISC.	182.67	-0.4%	-4.1%	5.2%	-14.3%		
	MSCI EUROPE SMALL NTR	-	681.14	-0.4%	-1.9%	8.2%	5.2%	CONSUMER STAPLES	265.57	2.2%	-0.3%	1.1%	-1.8%		
	MSCI EM NTR	-	877.23	-0.5%	0.2%	14.6%	14.4%	HEALTH CARE	275.63	0.3%	-3.2%	0.7%	-2.0%		
	MSCI AC ASIA EX JAPAN NTR	-	874.51	-0.4%	1.0%	15.7%	14.3%	FINANCIALS	121.87	-1.0%	-3.4%	7.5%	-0.2%		
	MSCI EM LATAM NTR	-	880.98	-0.7%	-2.6%	5.5%	20.9%	IT	256.80	-0.8%	-1.1%	12.5%	15.2%		
								COMM. SERVICES	60.33	0.4%	-2.0%	-0.6%	2.7%		
							UTILITIES	207.07	0.9%	2.7%	3.2%	16.6%			
FIXED INCOME															
	Yield	Duration	% 1D	% WTD	% MTD	%YTD	Range 1Y	Range 5Y	Last	Δ 1D	Δ WTD	Δ MTD	Δ YTD		
EUR	AGGREGATE 5-7Y	3.44	5.4	-0.1%	-0.5%	1.0%	-0.0%	41	61 41	113	46 bp	+0 bp	+1 bp	-7 bp	+1 bp
	CORP IG 5-7Y	3.90	5.2	-0.1%	-0.5%	1.4%	0.1%	84	124 84	253	94 bp	+1 bp	+2 bp	-17 bp	+3 bp
	CORP BBB	3.94	4.4	-0.1%	-0.4%	1.2%	0.1%	84	128 84	277	94 bp	+1 bp	+1 bp	-16 bp	+4 bp
	CORP HIGH YIELD	5.88	2.9	-0.1%	-0.2%	2.0%	0.4%	249	371 249	668	281 bp	+1 bp	-10 bp	-48 bp	+17 bp
USD	AGGREGATE 5-7Y	4.53	4.7	-0.1%	-0.4%	0.5%	0.3%	23	43 18	67	26 bp	+1 bp	+1 bp	-5 bp	-2 bp
	CORP IG 5-7Y	4.72	4.1	-0.1%	-0.3%	0.7%	0.5%	62	98 57	155	70 bp	+1 bp	-1 bp	-10 bp	+1 bp
	CORP BBB	5.25	6.6	-0.2%	-0.3%	1.2%	0.6%	91	134 91	198	98 bp	+1 bp	-1 bp	-14 bp	-0 bp
	CORP HIGH YIELD	6.92	2.7	-0.1%	-0.2%	1.7%	1.2%	247	385 247	588	274 bp	+3 bp	+7 bp	-45 bp	+6 bp
	EM AGG. 5-7Y	6.12	4.7	-0.1%	-0.2%	2.5%	1.3%	186	287 186	463	205 bp	+1 bp	-5 bp	-35 bp	+6 bp
Sovereign	US	3.77	3.97	4.35	+2 bp	+16 bp									
	Germany	2.31	2.71	3.04	+1 bp	+15 bp									
	Switzerland	0.03	0.24	0.43	+1 bp	+10 bp									
	Italy	2.47	3.17	3.79	+2 bp	+28 bp									
CDS	CDX \$ IG 3Y SPRD								34 bp	+0 bp	+1 bp	-8 bp	+4 bp		
	CDX \$ HY 5Y SPRD								333 bp	+6 bp	+8 bp	-52 bp	+17 bp		
	ITRAXX € IG 3Y SPRD								34 bp	+0 bp	+3 bp	-12 bp	+7 bp		
	ITRAXX € HY 3Y SPRD								204 bp	+2 bp	+11 bp	-53 bp	+35 bp		
FOREX, VOLATILITY & PHYSICAL ASSETS															
	Last	% 1D	% WTD	% MTD	%YTD		Last	% 1D	% WTD	% MTD	%YTD				
FX	EUR/USD	1.1683	-0.2%	-0.7%	1.1%	-0.5%	GOLD	4 694.14	-1.0%	-2.8%	0.6%	8.7%			
	EUR/CHF	0.9188	0.0%	-0.1%	-0.5%	-1.3%	SILVER	75.44	-2.9%	-6.7%	0.4%	5.3%			
	USD/CHF	0.7864	0.2%	0.6%	-1.6%	-0.8%	COPPER	13 190.00	-0.1%	0.3%	8.5%	5.5%			
	USD/JPY	159.71	0.1%	0.7%	0.6%	1.9%	ALUMINIUM	3 692.23	0.6%	2.8%	4.9%	24.4%			
	USD/GBP	0.7426	0.3%	0.4%	-1.8%	0.1%	IRON	102.59		0.5%	0.5%	-1.3%			
	USD/CNY	6.831	0.0%	0.2%	-0.9%	-2.2%	WHEAT	610.75	1.9%	3.3%	-0.9%	20.5%			
	USD/RUB	75.08	0.1%	-1.3%	-7.7%	-4.7%	CORN	455.50	0.3%	1.5%	-0.5%	3.5%			
	BTC/USD	77 905.64	-0.7%	0.7%	14.2%	-11.1%	CRUDE OIL (WTI)	95.85	3.1%	16.1%	2.9%	68.1%			
Vol	S&P500 VOL (VIX)	19.31	2.1%	10.5%	-23.5%	29.2%	BRENT	105.07	3.1%	16.3%	1.1%	74.4%			
	ICE BOFAML MOVE INDEX	67.70	-3.1%	3.0%	-29.5%	5.8%	DUTCH TTF NATURAL GA	44.50	2.2%	14.8%	-12.3%	58.0%			
							SWISS RES. REAL ESTATE	3 435.12	-0.5%	0.2%	4.3%	3.7%			

Closing as of Thursday April 23, 2026, futures as of Friday April 24, 2026 09:45

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