

WEEKLY MARKET REPORT

11 Apr - 15 Apr



MCD Weekly Update

US Markets close in red for Easter Bank-holiday weekend

The US stock market was quiet throughout the four days trading sessions. The S&P 500 and Nasdaq Composite fell sharply on Thursday closing the week in the red zone as investors focused on the impact of inflation and earnings results of some market movers. Nasdaq Composite lost 2.63% the Dow and S&P 500 plunged by 0.78% and 2.13% respectively. Inflation panics and high bond yields are the biggest movers and shakers in the US stock this week, US Inflation printed 8.5% for March 2022 becomes Investor's major focus indicating an increasing need for stronger inflation edging alternatives amidst upcoming interest rate hikes.

Inflation continues to hit new records

On Tuesday, the Labour Department reported that inflation had jumped a further 1.2% in March, bringing the YoY increase to 8.5%, beating expectations and marking a 40-year high. However, the core rate, which excludes food and energy prices rose only 0.3%, which is indicative of the crude oil crisis fueling inflation. With the threat of spiraling inflation, Federal Reserve has announced considerations for an accelerated pace of rate hikes, which has materially increased the cost of financing houses, cars and investments. Further to this, commercial profits face further threats with the core producer prices, reported on Wednesday, rising 1.0% in March, double consensus expectations. Over the last 12 months, prices have surged a record 9.2%, putting immense pressure on businesses to stay afloat and causing worries for future economic growth.

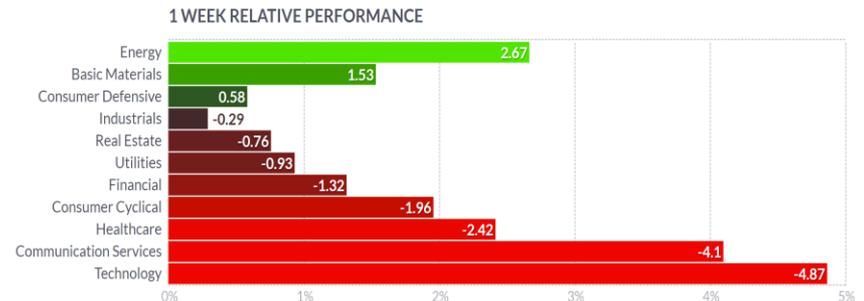
New surge in new claims for jobless benefits

This week the number of Americans filing for new claims for jobless benefits unexpectedly rose to 248,000 an increase of 23,000 on the forecasted figure. Previously, claims had been in the decline after hitting a three-month high in mid-January with the labour force tightening as job openings hit record highs of 10.9 million at the beginning of January. This increase in new claims could indicate a slight loosening of the market, pushing wages down and hopefully relieve pressures on inflation from wage growth.

Upcoming Economic Calendar

Monday	Tuesday	Wednesday	Thursday	Friday
NAHB Housing Market Index, 7:30 PM GMT - Previous- 79 - Consensus- 77 - Forecast- 77	FED Bullard Speech, 1:30 AM GMT	Existing Home Sales MAR, 7:30 PM GMT - Previous- 6.02 Million - Forecast- 5.9 Million - Consensus- 5.8 Million	Initial Jobless Claims, 6:00 PM GMT - Previous- 185K - Forecast- 180K - Consensus- 185K	S&P Global Services PMI Flash, 7:16 PM GMT - Previous- 57.7 - Forecast- 57

Weekly Snapshot - Indices & Sectors



U.S. MARKET SNAPSHOT BAR



UPCOMING EARNINGS



NETFLIX (NFLX)

CONSENSUS EPS FORECAST : **\$2.92**

DATE : 19/04/2022

- **NFLX** closed at **\$341.13** on Friday, marking a **2.65%** move from the prior day
- Although old subscribers have been staying engaged, **growth** of new subscribers is experiencing a **slowdown** despite smooth and huge flow of new content releases.
- Amidst of all these sour news, **operating profit** is **expanding** is pleasingly reaching **21%** of the sales last year as compared to 18% in 2020.

JOHNSON AND JOHNSON (JNJ)

CONSENSUS EPS FORECAST : **\$2.61**

DATE : 19/04/2022

- **JNJ** closed at **\$179.90** on Friday, marking a **0.42%** move from the prior day
- In 2021, J&J grew its **revenue** by **14%** and net income by **42%** compared to 2020, thanks to **pharmaceutical division**, which has several drugs on the market that treat a variety of diseases.
- The company generated **\$20 billion** in free cash flow in 2021, easily providing enough cash to cover its dividend and raise it again to remain a **Dividend King**.
- But JNJ still faces more than **40,000** claims that the talc in baby powder causes cancer.

TESLA INC. (TSLA)

CONSENSUS EPS FORECAST : **\$1.64**

DATE : 20/04/2022

- On Friday, **TSLA** closed at **\$985** marking a **3.66%** move from the previous day.
- In Q4 2021, the company produced more than **305,000** vehicles and delivered over **308,000** vehicles.
- **TSLA** has acquired **Lithium Corporation**, a lithium mining based company in Nevada to refine business directly and at scale because the cost of the metal, a key component in manufacturing batteries, have gotten so **high**.
- **Cybertruck**, the electric pickup truck would make it to market by the end of 2021.

Sector: **Technology Services**

Industry: **Internet Software/Services**



Sector: **Health Technology**

Industry: **Pharmaceuticals: Major**



Sector: **Consumer Durables**

Industry: **Motor Vehicles**



UPCOMING EARNINGS



PROCTOR AND GAMBLE (PG) CONSENSUS EPS FORECAST : \$1.29 DATE : 20/04/2022

- PG closed at **\$158.57** on Friday, marking a **0.56%** move from the prior day
- PG recently announced a **5% dividend increase**, maintaining the dividend growth streaks in the market place
- P&G is calling for organic sales gains to land between 4% and 5% on top of strong growth over the previous two years.
- The company has been focused on productivity and cost-saving plans, which have been aiding its margins.

Sector: Consumer Non-Durables Industry: Household/Personal Care



SNAP INC. (SNAP) CONSENSUS EPS FORECAST : \$0.17 DATE : 21/04/2022

- SNAP closed at **\$33.19** on Friday, marking a **4.30%** move from the prior day
- As of Dec. 31, Snap boasted **319 million** daily active users globally. That figure was up by **20%** year over year. It was also 13 million more than it had in the previous quarter.
- Apple has **implemented changes** to its IOS that make it more challenging to track users on its electronic devices. Snap -- and other social media companies, for that matter -- relies on these tracking capabilities to deliver **targeted advertising** to users, which is basically a **red flag**

Sector: Technology Services Industry: Internet Software/Services

