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## Carlsquare/Vontobel weekly trading note: A challenging year for central banks

**This week, central bank interest rate announcements and the interim reporting season for the first quarter are in the spotlight. Our case focuses on interest rate developments in the U.S. and the Federal Reserve's upcoming decisions. In our view, there are more factors indicating higher inflation within a year than lower inflation. The Q1 2026 earnings season revealed a significant number of positive earnings surprises, especially among S&P 500 companies.**

Several central banks will announce their policy rates this week. The Fed and the Bank of Canada will announce theirs today, Wednesday, April 29, followed by the ECB and the Bank of England on Thursday, April 30. Although no policy rate changes are expected from the Federal Reserve this time, their forward guidance will be important. Stock markets are eager to see indications from the Fed of a potential rate cut later this year. However, there are several obstacles, including significantly higher Brent oil prices compared to before the war with Iran and growing concerns about rapidly increasing U.S. government debt and high military spending. In our view, a weaker US job market would primarily trigger lower rates.

28% of all S&P 500 companies had reported their first-quarter 2026 results on Friday, 24 April. According to Earnings Insight, 84% of those companies reported positive earnings surprises and 81% reported positive revenue surprises. The Industrials sector had the largest average positive earnings surprise.

Please find out more in our weekly letter on certificates Vontobel.com: [Read the weekly newsletter here](#)

[Link to the Swedish-translated version](#)

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### About Vontobel:

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As a globally operating financial expert with Swiss roots, Vontobel specializes in wealth management, active asset management and investment solutions. Structured Solutions & Treasury bundles different investment solutions for private investors either directly or via ecosystems. [Read more](#)

### About Carlsquare

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Carlsquare is a global research firm and financial advisor, focusing on M&A, Equity Research and Growth Equity. Carlsquare has 150 employees with deep sector knowledge in all 11 GICS sectors. The senior equity research team has extensive experience about the stock environment and several business sectors. The team produces company research reports, independent valuations and trading notes. The group have offices in Canada, Denmark, France, Germany, Poland, Sweden, United Kingdom and United States. [Read more](#)

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**Attachments**

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