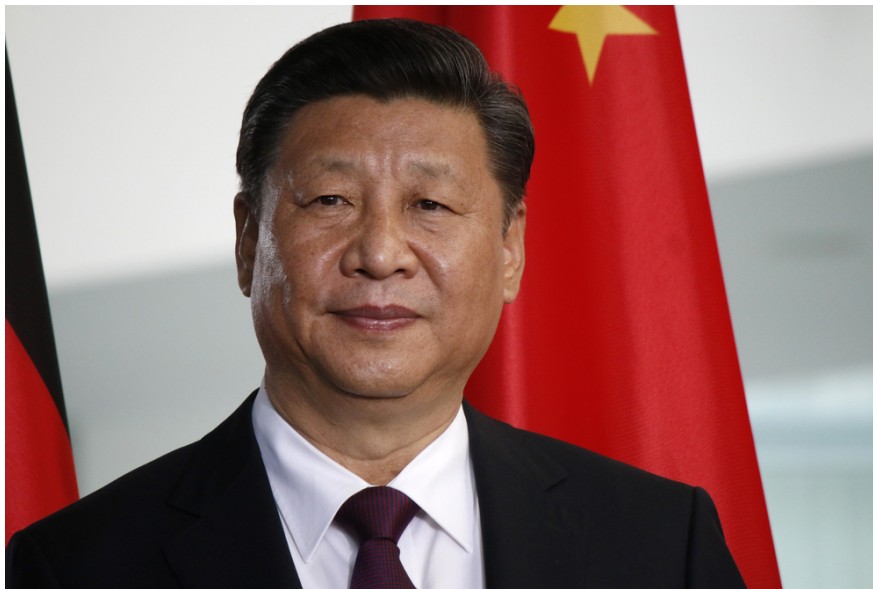


Happy Earth Day

President Xi will virtually join President Biden's Earth Day leaders climate summit, with Xi's speech likely to call for no borders to green technology transfer - similar to comments he made in a European summit recently.



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Happy Earth Day speech

At today's Earth Day leaders' summit hosted by US President Biden, most people will probably be more interested to hear if the US commits to tougher emission targets, which it has widely flagged, with the consensus forming around a 50% reduction in US emissions by 2030 and targeted net-zero emissions by 2050.

China has already pledged to achieve net-zero emissions by 2060. But the participation of President Xi of China in today's summit shows that on some issues, not many admittedly, but at least on climate change, there is room for China and the US to cooperate.

In a virtual climate summit in Europe last week, President Xi was highly critical of the EU's plans for a carbon border tax, and at the Boao forum a few days ago, he suggested making investment in green technology a defining characteristic of the Belt and Road Initiative. We would anticipate a re-run of these messages today. So in short, cooperation, tinged with criticism.

Not much expected from ECB today

The US dollar has been fairly steady against the Euro in recent days, as well as Asian currencies, and we don't expect the ECB meeting today to alter that perception particularly.

It's a week old now, but a note by our Global Head of Macro and European rates strategist on [the likely outcome and market impacts of this meeting](#) is well worth a read if you have time. And hotter off the press, a further note without FX strategists hones in on the FX ramifications of the meeting [in a handy crib sheet](#).

The market consensus (and our view) is that the envelope of the PEPP (Pandemic Emergency Purchase Programme) will be topped up by EUR500bn and run through to its scheduled end in June 2021. But there are various bells and whistles that might be attached, and these could result in some market surprise. With markets currently fairly calm, but growing noises out of the ECB hawks arguing against extending the PEPP even as the pandemic rages in Europe, as the first of the linked notes states, there is "very little to gain, only to lose".

Asia quiet, G-7 quiet

It's very quiet on the Asia macro calendar today. Unemployment rates from Taiwan and Hong Kong mark the likely high spots in terms of economic releases today, which I think says it all.

It's not much busier in G-7 space after yesterday's Bank of Canada excitement, as they signalled the beginning of their taper and a sooner than anticipated first rate hike (second half of 2022 now flagged), though this does not seem yet to have spilt through into other markets, though that is not to say it will not do so in the weeks ahead.

US existing home sales for March is the G-7 pick of the day, with a slight slowdown in the annual rate of purchase to 6.11m expected by consensus.

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