

Investment Daily

30 August 2024



US stocks ended mixed as Treasuries edged lower after GDP data

US equities ended a volatile session mixed on Thursday amid an upward revision to US Q2 GDP. The S&P 500 ended flat, and the Dow Jones Industrial Average closed 0.6% higher. However, the tech-heavy Nasdaq fell 0.2%.

US Treasuries edged lower (yields higher) following the Q2 GDP revision and a soft 7-year Treasury debt auction result. 2-year and 10-year yields were up 2bp and 3bp to 3.89% and 3.86% respectively.

European stock markets advanced on Thursday, on some positive corporate earnings and data showing cooling inflation in Germany and Spain. The Euro Stoxx rose 1.1%. The German DAX rose 0.7%, with the French CAC up 0.8%. In the UK, the FTSE-100 rose 0.4%.

European government bonds ended little changed. 10-year German yields rose 1bp to 2.27%, as 10-year French yields ended flat at 2.99%. In the UK, 10-year gilt yields inched higher 2bp to 4.02%.

Asian stock markets traded mixed on Thursday, led by losses in chip shares. Korea's Kospi fell 1.0%. Japan's Nikkei 225 ended flat. China's Shanghai Composite slid 0.5%, while Hong Kong's Hang Seng gained 0.5% as investors digested Q2 corporate earnings. Meanwhile, India's Sensex was up 0.4%.

Crude oil prices rebounded on Thursday following recent declines, amid resilient US Q2 GDP data and supply risks in Libya. WTI crude for October delivery settled 1.9% higher at USD75.9 a barrel.

US stocks ended mixed as Treasuries edged lower

European stocks rose as bonds were little changed

Asian stocks traded mixed

Key Data Releases and Events

Releases yesterday

In the **US**, **pending home sales** unexpectedly fell 5.5% mom to a record low in July amid poor affordability. The second estimate of **US Q2 GDP** was upgraded to an annualized rate of 3.0%, on stronger than expected consumer spending.

Releases due today (30 August 2024)

Country	Indicator	Period	Survey	Prior
Japan	Unemployment rate	Jul	2.5%	2.5%
Japan	Tokyo CPI excluding fresh food and energy (yoy)	Aug	1.4%	1.5%
Japan	Industrial Production Prelim (mom)	Jul (P)	3.5%	-4.2%
Eurozone	HICP, Flash (yoy)	Aug	2.2%	2.6%
Eurozone	Unemployment Rate	Jul	6.5%	6.5%
US	Core PCE Price Index (yoy)	Jul	2.5%	2.5%

In **Japan**, the **unemployment rate** unexpectedly rose to 2.7% in July from 2.5% in June. The **Tokyo CPI** excluding fresh food & energy surprised to the upside, edging up to 1.6% yoy in August. Meanwhile, the preliminary July reading for **industrial production** rose 2.8% mom, partially reversing June's 4.2% mom fall but below market consensus.

Eurozone HICP core inflation is forecast to decrease slightly to 2.8% yoy in August from 2.9% yoy in July. **Unemployment rate** is expected to remain the same in July at 6.5% amid a lack of labour shedding.

In the **US**, the **core PCE deflator**, the Fed's favoured inflation gauge, is expected to stay at 2.5% yoy in July.

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