



US stocks ended higher as Treasuries fell before key inflation data

US equities ended modestly higher on Wednesday as investors digested corporate earnings and guidance ahead of a presidential debate and PCE inflation data. The S&P 500 added 0.2%.

US Treasuries fell (yields rose) ahead of today's 7-year Treasury debt sale and Friday's PCE inflation data, despite a solid 5-year Treasury auction result. 10-year yields climbed 8bp to 4.33%.

European stock markets turned lower on Wednesday, amid a rise in bond yields and ahead of key US inflation data and the first round of the French elections later in the week. The Euro Stoxx 50 fell 0.4%, with widespread weakness in local markets. In the UK, the FTSE-100 fell 0.3%.

European government bonds fell (yields rose), tracking losses in US Treasuries. 10-year German yields rose 4bp to 2.45%, as 10-year French yields increased 7bp to 3.23%. Meanwhile, 10-year UK gilt yields rose 5bp to 4.13%.

Asia stock markets traded mostly higher on Wednesday, driven by a tech-led rebound in US markets overnight as investors awaited US PCE inflation data on Friday. Japan's Nikkei 225 climbed 1.3%, as China's Shanghai Composite and India's Sensex both rose 0.8%. Hong Kong's Hang Seng ended little changed (+0.1%). Meanwhile, Australian stocks slid after an upside surprise in May CPI data triggered fears of RBA policy tightening.

Crude oil prices ended a volatile session slightly higher on Wednesday as investors assessed the demand outlook during US summer driving season and a large build in US weekly crude and gasoline stockpiles. WTI crude for August delivery settled 0.1% higher at USD80.9 a barrel.

US stocks and Treasury yields rose

European stocks fell; government bond yields rose

Asian stocks mostly rose

Key Data Releases and Events

Releases yesterday

US new home sales fell 11.3% mom in May, below market expectations and more than offsetting April's revised 2% mom increase.

Releases due today (27 June 2024)

Country	Indicator	Period	Survey	Prior
Sweden	Riksbank Interest Rate Decision	Jun	3.75%	3.75%
Turkey	Turkey Central Bank Interest Rate Decision	Jun	50.00%	50.00%
Mexico	Banxico Interest Rate Decision	Jun	11.00%	11.00%
US	Biden-Trump First Debate	Jun	-	-

In **Turkey**, the central bank is expected to leave its key interest rate unchanged at 50.00% in June amid ongoing inflation concerns.

In **Mexico**, Banxico (central bank) is expected to hold its benchmark interest rate steady due to ongoing inflationary pressures and the Mexican peso's recent weakness.

In **Sweden**, the Riksbank (central bank) is forecast to leave its policy rate unchanged at 3.75%, but leave the door open for cuts in H2 2024 as inflation should fall below 2%.

In the **US**, current US President Joe Biden will engage in his **first debate** over key policy issues against Republican rival Donald Trump.

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