

# Investment Daily

17 July 2024



## US stocks rose after upbeat retail sales data and bank earnings

**US equities** advanced on Tuesday, as retail sales data signalled consumers' resilience and spurred soft-landing hopes. Market sentiment was also helped by some upbeat bank earnings. The S&P 500 ended 0.6% higher. The rotation from mega tech stocks to small-caps and some cyclical sectors continued.

**US Treasuries** rose (yields fell) despite upbeat retail sales data. 10-year yields fell 7bp to 4.16%.

**European stock markets** fell on Tuesday, dragged down by further disappointing Q2 earnings. The Euro Stoxx 50 lost 0.7%. The German DAX and the French CAC fell 0.4% and 0.7% respectively. In the UK, the FTSE-100 was down 0.2%.

**European government bonds** rose (yields fell) ahead of ECB policy decision on Thursday, shrugging off an upside surprise in US retail sales. 10-year German yields fell 4bp to 2.43% while 10-year French yields fell 3bp to 3.08%. In the UK, 10-year gilt yields inched down 5bp to 4.05%.

**Asian stock markets** traded mixed on Tuesday as investors assessed US political developments and awaited policy signals from China's 3rd plenum. Hong Kong's Hang Seng extended losses, ending down 1.6% amid lingering investor worries over geopolitical risks and the macro outlook. China's Shanghai Composite ended little changed (+0.1%) after the sovereign fund reportedly purchased ETFs in the onshore market. Elsewhere, Japan's Nikkei 225 added 0.2% as India's Sensex was up 0.1%.

**Crude oil prices** declined on Tuesday, extending Monday's losses amid lingering concerns about the global/China's oil demand outlook. WTI crude for August delivery settled 1.4% lower at USD80.8 a barrel.

**US stocks and Treasuries rose after upbeat retail sales**

**European stocks fell; government bonds rose**

**Asian stocks were mixed**

## Key Data Releases and Events

### Releases yesterday

**US retail sales** was unchanged in June, above market expectations. May's data was revised higher, hinting at resilient consumer spending.

In the **euro area**, the **ECB's latest quarterly bank lending survey** revealed improving lending conditions, with households faring better than companies.

### Releases due today (17 July 2024)

Country	Indicator	Period	Survey	Prior
UK	CPI (yoy)	Jun	1.9%	2.0%
Indonesia	Central Bank Interest Rate Decision	Jul	6.25%	6.25%
Eurozone	CPI (yoy)	Jun (F)	2.5%	2.5% (P)
US	Housing Starts (mom)	Jun	1.8%	-5.5%
US	Industrial Production (mom)	Jun	0.3%	0.7%

In the **UK**, **CPI** is expected to nudge lower to 1.9% yoy in June from 2.0% yoy in July, as service sector inflation remains sticky amid elevated wage growth.

The **Eurozone's** final June **CPI** data should confirm moderating service sector inflation on a mom basis while goods disinflation persists.

**US housing starts** are expected to increase to 1.8% mom in June, from a 5.5% mom drop in May. **Industrial production** is forecast to moderate to a 0.3% mom increase in June, after May's 0.7% mom rise.

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Produced by the [Global Investment Strategy Unit](#)

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