

Investment Daily

23 July 2024



US stocks rebounded with tech earnings in focus

US equities rebounded on Monday, after last week's selloff, as tech earnings are set to kick in. The S&P 500 rose 1.1%.

US Treasuries were little changed amid no clear fundamental catalyst. 10-year yields closed at 4.25% (+1bp).

European stock markets rebounded on Monday amid continued US political uncertainty. The Euro Stoxx 50 rose 1.5%. The German DAX and French CAC increased by 1.3% and 1.2% respectively. In the UK, the FTSE-100 rose 0.5%.

European government bonds edged lower as safe-haven flows eased. 10-year German and French yields both rose 2bp to 2.49% and 3.15% respectively. In the UK, 10-year gilt yields increased 4bp to 4.16%.

Asian stock markets fell on Monday, driven by a continued selloff in tech shares and weaker commodity stocks as investors weighed corporate earnings, US political developments, and China's unexpected rate cuts. Japan's Nikkei 225 closed 1.2% lower. Markets in Taiwan and Korea also suffered heavy losses. Meanwhile, China's Shanghai Composite fell 0.6% whereas Hong Kong's Hang Seng rose 1.3%, after China's central bank cut the 7-day reverse repo rate, a key short-term policy rate, by 10bp. Subsequently, the 1-year and 5-year Loan Prime Rate (LPR) both fell 10bp. Meanwhile, India's Sensex edged 0.1% lower, ahead of the FY25 budget announcement.

Crude oil prices edged lower on Monday amid lingering concerns about the global demand outlook. WTI crude for August delivery settled 0.4% lower at USD79.8 a barrel.

US stocks rebounded with tech earnings in focus

European stocks rose as bonds edged lower

Asian stocks fell

Key Data Releases and Events

Releases yesterday

No major releases yesterday

Releases due today (23 July 2024)

| Country | Indicator | Period | Survey | Prior |
|---------|---|--------|--------|--------|
| US | Existing Home Sales (mom) | Jun | -2.9% | -0.7% |
| Turkey | Turkish Central Bsnk Interest Rate Decision | Jun | 50.00% | 50.00% |

US existing home sales are expected to decline further in June as high mortgage rates weigh on housing activity.

In **Turkey**, the **central bank** is expected to remain on hold in July as it attempts to quell inflation pressures.

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