

Investment Daily

24 July 2024



US stocks slipped with earnings in focus

US equities slipped on Tuesday, as investors digested a batch of earnings reports and awaited quarterly results from megatech companies after the close. The S&P 500 ended 0.2% lower.

US Treasury curve steepened modestly following a strong 2-year Treasury note auction and amid supply pressures from corporate bond sales. 2-year yields fell 3bp to 4.49% while 10-year yields were flat at 4.25%.

European stock markets eked out small gains on Tuesday, aided by decent Q2 earnings. The Euro Stoxx 50 increased 0.4%, led by tech and industrials. The German DAX rose 0.8% but the French CAC fell 0.3%. In the UK, the FTSE-100 dropped 0.4%.

European government bonds rose ahead of PMI prints. 10-year German yields fell 5bp to 2.44% as 10-year French yields nudged 2bp lower to 3.13%. In the UK, 10-year gilt yields fell 4bp to 4.12%.

Asia stock markets lacked direction on Tuesday ahead of key US tech earnings. Higher tech shares, driven by overnight gains in the US, lifted equity markets in Korea and Taiwan, following recent losses. Japan's Nikkei 225 ended flat, as a stronger yen offset higher chipmaker and financial shares. Meanwhile, China's Shanghai Composite dropped 1.6%, as Hong Kong's Hang Seng was down 0.9%. Initially India's Sensex fell following the FY25 budget presentation, which raised taxes on capital gains from equity investments and hiked the levy on stock derivatives trades, but pared early losses, ending down 0.1%.

Crude oil prices extended losses on Tuesday amid low summer liquidity and lingering concerns over the global/China demand outlook. WTI crude for September delivery settled 1.8% lower at USD77.0 a barrel.

US stocks fell with earnings in focus

European stocks and government bonds rose

Asian stocks lacked clear direction

Key Data Releases and Events

Releases yesterday

US existing home sales fell 5.4% mom in June after a 0.7% mom decline in May as elevated mortgage rates weighed on demand.

In Turkey, the **central bank** left rates on hold at 50%, maintaining a hawkish stance amid elevated inflation.

Releases due today (24 July 2024)

Country	Indicator	Period	Survey	Prior
Eurozone	HCOB Composite PMI	Jul (P)	51.1	50.9
UK	Composite PMI	Jul (P)	52.6	52.3
US	S&P Global Composite PMI	Jul (P)	54.2	54.8
US	New Home Sales (mom)	Jun	3.4%	-11.3%

The **Eurozone composite PMI** is forecast to edge higher to 51.1 in July from 50.9 in June.

The **UK composite PMI** should edge higher to 52.6 in July compared to 52.3 in June, pointing to a continued modest upturn.

In the **US**, the **composite PMI** may soften in July after June's 54.8 reading. Meanwhile, **US new home sales** should rebound in June after falling 11.3% mom in May.

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

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