

Investment Daily

8 August 2024

US stocks and Treasuries ended lower

US equities reversed earlier gains to end lower on Wednesday, led by losses in technology, consumer discretionary and healthcare shares. The S&P 500 closed down 0.8%.

US Treasuries fell after a weak 10-year Treasury debt auction and amid a slew of corporate bond issuance. 10-year yields rose 5bp to 3.94%.

European stock markets rebounded on Wednesday following the selloff in global stock markets earlier in the week. The Euro Stoxx 50 rose 2.0% led by financial and energy stocks. The German DAX rose 1.5% and the French CAC rose 1.9%. In the UK, the FTSE-100 closed 1.7% higher.

European government bonds fell as yields continued to bounce back from multiple-month lows seen earlier this week. 10-year German yields rose 7bp to 2.27% while 10-year French yields increased 5bp to 3.01%. In the UK, 10-year gilt yields were up 3bp to 3.95%.

Asia stock markets broadly advanced on Wednesday as the Japanese yen weakened following a BoJ official's comments, helping ease investor worries over further carry trade unwinding amid recent volatile market moves. Japan's Nikkei 225 and Korea's Kospi rallied 1.2% and 1.8%, respectively. Hong Kong's Hang Seng rose 1.4%, with China's Shanghai Composite edging up 0.1% on mixed Chinese trade data. Elsewhere, India's Sensex added 1.1% before today's central bank policy decision.

Crude oil prices rose on Wednesday, amid concerns over geopolitical risks in the Middle-East. WTI crude for September delivery settled 2.8% higher at USD75.2 a barrel.

US stocks and Treasuries fell

European stocks rose while government bonds fell

Asian stocks rose

Key Data Releases and Events

Releases yesterday

German industrial production rose 1.4% mom in June, exceeding expectations, but that only partially reversed May's 3.1% mom decline. This is consistent with disappointing Q2 flash GDP data, and weaker export readings.

China's trade surplus narrowed to USD 84.7bn in July from USD99.1bn in June amid softer-than-expected exports and a pickup in imports.

Releases due today (08 August 2024)

Country	Indicator	Period	Survey	Prior
India	RBI Repo Rate	Aug	6.50%	6.50%
Mexico	Headline Inflation (yoy)	Jul	5.5%	5.0%
Mexico	Banxico de Mexico, Overnight Lending Rate	Aug	10.75%	11.00%

Resilient economic growth should allow the **Reserve Bank of India (RBI)** to focus on its price stability mandate and keep policy rates unchanged.

In **Mexico**, headline **inflation** has risen through much of 2024 but core inflation has continued to trend lower. Combined with the effects of recent peso depreciation effects, the Banxico decision will likely be a close call.

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

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