

Investment Daily

5 September 2024



US stocks and Treasury yields fell after soft job openings data

US equities extended the previous session's losses on Wednesday, as a sharp decline in the JOLTS job openings added to concerns over the US labour market and economy. The S&P 500 ended 0.2% lower, led by technology and cyclical sectors.

US Treasuries rallied and the yield curve bull-steepened as soft job openings raised expectations of an accelerated Fed rate cutting cycle. 2-year yields dropped 11bp to 3.75% as 10-year yields fell 7bp to 3.76%.

European stock markets fell further on Wednesday as weaker than expected US job openings fuelled fears of a possible hard landing. The Euro Stoxx fell 1.3%, led by technology and consumer cyclicals. The German DAX fell 0.8%, and the French CAC dropped 1.0%. In the UK, the FTSE-100 was 0.3% lower.

European government bonds rose (yields fell), aided by a rally in US Treasuries. 10-year German yields fell 6bp to 2.22%, as 10-year French yields fell 7bp to 2.93%. In the UK, 10-year gilt yields fell 6bp to 3.93%.

Asian stock markets broadly tracked US stocks' sell-off overnight amid renewed worries over the US macro outlook and some tech heavyweights' stretched valuations on Wednesday, with chip shares in the region tumbling. Japan's Nikkei 225 and Korea's Kospi dropped 4.2% and 3.1%, respectively. Hong Kong's Hang Seng lost 1.1%, while China's Shanghai Composite slid 0.7%. Elsewhere, India's Sensex edged 0.2% lower.

Crude oil prices fell on Wednesday, as persistent concerns about weakening global demand overshadowed the potential for OPEC+ to delay its October supply increase. WTI crude for October delivery settled 1.6% lower at USD69.2 a barrel.

US stocks and Treasury yields fell after soft jobs openings

European stocks and government bond yields fell

Asian stocks declined

Key Data Releases and Events

Releases yesterday

US JOLTS job openings fell to 7.67 million in July, the lowest level since April 2021, from a downwardly revised 7.91 million in June. The data provided further evidence that the labour market is cooling, a key concern for the Fed.

The **Bank of Canada** cut its policy rate by 25bp to 4.25%, the third consecutive easing, with the central bank signalling further gradual easing as long as inflation moves in line with its forecasts.

Releases due today (05 September 2024)

Country	Indicator	Period	Survey	Prior
United States	ISM Services Index	Aug	51.4	51.4

In the **US**, the **ISM Services Index** is expected to remain unchanged at 51.4 in August.

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