

# Investment Daily

27 September 2024



## US stocks and Treasury yields rose before PCE data

**US equities** rose on Thursday amid some positive economic prints, an upbeat result of a chipmaker and ongoing optimism over China stimulus moves, ahead of PCE data due later today. The S&P 500 ended 0.4% higher.

**US Treasuries** dropped (yields up) despite a solid 7-year Treasury debt auction result, as investors digested some upbeat macro data, including the Q2 GDP final estimate and weekly jobless claims, and awaited PCE data releases. 2-year yields climbed 7bp to 3.63%, as 10-year yields edged 2bp higher to 3.80%.

**European stock markets** rose on Thursday, with the back of a solid US Q2 economic growth and continued enthusiasm about recent policy support for China. The Euro Stoxx index rallied 2.4%, driven by consumer cyclicals and non-cyclicals. The German DAX index rose 1.7%, with the French CAC up 2.3%. In the UK, the less cyclical FTSE-100 added 0.2%.

**European government bonds** were mixed given rising investor expectations of an ECB rate cut at the next meeting in October. 10-year German yields and 10-year French yields edged up 1bp to 2.18% and 2.98%, respectively, whereas peripheral bond yields dropped. Meanwhile, in the UK 10-year gilt yields rose 2bp to 4.01%.

**Asian stock markets** broadly advanced on Thursday, with Chinese equities extending stimulus surges as the politburo meeting vowed to accomplish economic growth target, and signalled further fiscal support and measures to stabilise property sector. China's Shanghai Composite jumped 3.6%, and Hong Kong's Hang Seng rallied 4.2%. Tech shares in the region also rose following an US chipmaker's positive earnings. Korea's Kospi added 2.9%, and Japan's Nikkei 225 climbed 2.8% amid a weaker yen. Elsewhere, India's Sensex notched a milder 0.8% gain.

**Crude oil prices** extended losses on Thursday amid lingering oversupply worries following the potential pick-up of production in Saudi Arabia and Libya, while investors continued to monitor the geopolitical developments in the Middle East. WTI for November delivery settled 2.9% lower at USD67.7 a barrel.

**US stocks and Treasury yields rose before PCE**

**European stocks rallied; government bonds were mixed**

**Asian stocks advanced, led by Chinese equities**

## Key Data Releases and Events

### Releases yesterday

In the **US**, the final estimate of **Q2 GDP** remained unchanged, rising an annualised rate of 3%.

**Banxico de Mexico** cut its policy rate by 25bp to 10.50% as widely anticipated amid softening domestic demand and easing inflation worries.

### Releases due today (27 September 2024)

Country	Indicator	Period	Survey	Prior
US	PCE Price Index (yoy)	Aug	2.3%	2.5%

In the **US**, the **PCE deflator** is expected to moderate towards the Fed's 2% target in coming months.

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