

Investment Daily

4 October 2024



Global stocks dipped on geopolitical concerns ahead of US jobs reports

US equities ended lower on Thursday, ahead of payrolls and unemployment reports due later today and as investors continued to monitor geopolitical developments in the Middle East. The S&P 500 fell 0.2%; energy shares rallied on higher oil prices.

US Treasuries fell (yields rose) after upbeat ISM services data and as crude oil prices surged on Middle East supply risks. 10-year yields rose 7bp to 3.85%.

European stock markets mostly fell on Thursday amid rising geopolitical tensions. The Euro Stoxx 50 fell 0.8%. The German DAX lost 0.8%, while the French CAC dropped 1.3%. In the UK, the more defensive FTSE-100 edged 0.1% lower.

European government bonds fell (yields rose), as investors weighed the ECB policy outlook. 10-year German yields rose 5bp to 2.14% as 10-year French yields rose 8bp to 2.94%. In the UK, 10-year gilt yields were range-bound at 4.02%.

Most **Asian stock markets** fell on Thursday as investors assessed geopolitical tensions in the Middle East. Hong Kong's Hang Seng ended a volatile session 1.5% lower after recent stimulus-triggered rallies, while India's Sensex dropped 2.1%. Bucking the regional trend, Japan's Nikkei 225 rose 2.0%, led by exporter shares amid a weaker yen on the new prime minister's comment that Japan is not ready for another rate hike. Onshore markets in China and Korea were closed for holidays

Crude oil prices surged on Thursday amid mounting concerns about geopolitical tensions in the Middle East. WTI crude for November delivery jumped 5.1% to settle at USD73.7 a barrel.

US stocks and Treasuries fell on geopolitical concerns

European stocks and government bonds fell

Asian stocks were mixed but mostly lower; Japan gained

Key Data Releases and Events

Releases yesterday

US ISM Services Index rose more than expected to 54.9 in September, from 51.5 in August. Despite being relatively volatile lately, the reading had been trending lower since the start of 2024.

Releases due today (04 October 2024)

Country	Indicator	Period	Survey	Prior
US	Change in Non-Farm Payrolls	Sep	150k	142k

In the **US, non-farm payrolls** have trended lower recently, in line with other labour market indicators, such as job openings.

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