



# Investment Daily

8 November 2024

## US stocks and Treasuries rose after the Fed rate cut

**US stocks** extended post-election gains on Thursday after the Fed delivered a 25bp rate cut. The S&P 500 rose 0.7%.

**US Treasuries** rose (yields fell) following the Fed's rate cut. 10-year yields slid 10bp to 4.33%.

**European stock markets** rose on Thursday as investors focused on the Fed rate decision and Bank of England's 25bp rate cut. The Euro Stoxx 50 rose 1.1%. The German DAX rose 1.7% and the French CAC was up 0.8%. In the UK, the FTSE-100 lost 0.3%.

**European government bonds** were mixed ahead of the Fed meeting. 10-year German bund yields rose 4bp to 2.44%, and 10-year French yields rose 3bp to 3.20%. In the UK, 10-year gilt yields fell 6bp to 4.50%.

**Asian stock markets** lack clear direction on Thursday, as investors continued to assess US President-elect Donald Trump's policy agenda and the potential implications for different sectors and regional markets. Investors also awaited the Fed policy decision. Chinese equities rallied as upbeat October export data lifted market sentiment as policy stimulus optimism continued to counter concerns over US tariff risks. China's Shanghai Composite and Hong Kong's Hang Seng jumped 2.6% and 2.0% respectively. Meanwhile, Japan's Nikkei 225 fell 0.3%, following Wednesday's rally, while India's Sensex also ended 1.0% lower.

**Crude oil prices** rose on Thursday amid a weaker US dollar, as investors weighed the potential impact of US elections and geopolitical developments in the Middle East. WTI crude for December delivery settled 0.9% higher at USD72.4 a barrel.

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**European stocks rose, with government bonds mixed**

**Asian stocks lacked clear direction**

## Key Data Releases and Events

### Releases yesterday

The **US Federal Reserve** (Fed) cut the target range for the Fed funds rate by 25bp to 4.50-4.75%, as widely anticipated after a larger 50bp reduction in September. Chair Powell indicated that policy rates will likely remain on a path toward neutral.

In **Mexico**, **headline inflation** inched up to 4.8% yoy in October, from 4.6% yoy in September, slightly more than expected, but core inflation moderated, indicating a possible further interest rate cut in the horizon.

The **Bank of England** cut the base rate by 25bp to 4.75%, as UK inflation sits below 2% target for the first time in three years.

In **China**, the **trade balance** unexpectedly widened to USD95.7bn in October from USD81.7bn in September, with a rebound in exports after typhoon disruptions in September.

### Releases due today (08 November 2024)

Country	Indicator	Period	Survey	Prior
Brazil	CPI (yoy)	Oct	4.7%	4.4%
United States	Univ. of Michigan Sentiment Index (Prelim)	Nov	71.0	70.5

In **Brazil**, **CPI inflation** is expected to increase slightly to 4.7% yoy in October from 4.4% yoy in September.

In the **US**, the **University of Michigan Sentiment Index** is expected to nudge higher to 71.0 in November, from 70.5 in October.

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