



Investment Daily

12 December 2024

US stocks rose and Treasuries ended lower after CPI data

US stocks rebounded on Wednesday, after a two-day losing streak. The S&P 500 rose 0.8%, led by gains in communication services, technology and consumer discretionary shares.

US Treasuries ended lower, despite the strong demand for a 10-year Treasury debt auction and as CPI data was in line with consensus expectations. 10-year yields rose 4bp to 4.27%.

European stock markets rose on Wednesday as US CPI data met expectations. The Euro Stoxx 50 gained 0.2%. The German DAX rose 0.3%, and the French CAC advanced 0.4%. In the UK, the FTSE-100 was up 0.3%.

European government bonds traded mixed ahead of the ECB policy meeting. 10-year German and French yields edged up 1bp to 2.13% and 2.89% respectively. In the UK, 10-year gilt yields ended almost flat at 4.32%.

Asian stock markets traded mixed on Wednesday, ahead of US inflation data. Both Japan's Nikkei 225 and India's Sensex closed little changed. Korea's Kospi rebounded 1.0%, with political developments still in focus. China's Shanghai Composite advanced 0.3% as the focus shifted to the Central Economic Work Conference, while Hong Kong's Hang Seng fell 0.8%.

Crude oil prices rose on Wednesday, as investors assessed geopolitical developments and the global demand outlook. WTI crude for January delivery gained 2.5% to settle at USD70.3 a barrel.

US stocks and Treasury yields rose

European stocks rose; bonds were mixed

Asian stocks lacked clear direction

Key Data Releases and Events

Releases yesterday

US headline **CPI inflation** edged up to 2.7% yoy in November, from 2.6% yoy in October, on energy prices. Core inflation remained stable at 3.3% yoy.

The **Bank of Canada** cut interest rates by 50bp to 3.25% as mostly expected, despite October's solid employment report and firmer CPI inflation data.

Releases due today (12 December 2024)

Country	Indicator	Period	Survey	Prior
United States	PPI (mom)	Nov	0.2%	0.2%
Euro Zone	ECB Deposit Rate	Dec	3.00%	3.25%
India	Industrial Production (yoy)	Oct	3.5%	3.1%
India	CPI (yoy)	Nov	5.5%	6.2%

The **European Central Bank** (ECB) is expected to cut the policy rate by 25bp to 3.00% from 3.25%, as the recent inflation data has been encouraging for policy easing.

In **India**, headline **CPI inflation** is expected to decelerate to 5.5% yoy in November after a 6.2% yoy spike in October on food prices.

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