

Investment Daily

16 July 2024



US stocks rose with corporate earnings in focus

US equities rose on Monday with corporate earnings in focus. The S&P 500 ended 0.3% higher.

US Treasuries fell and the yield curve steepened. 2-year yields rose 1bp to 4.46% as 10-year yields rose 4bp to 4.23%.

European stock markets fell on Monday, dragged down by disappointing Q2 earnings and weak China GDP data. The Euro Stoxx 50 lost 1.2%. The German DAX and the French CAC fell 0.8% and 1.2% respectively. In the UK, the FTSE-100 fell 0.8%.

European government bonds rose (yields fell) ahead of US retail sales data and amid ongoing political uncertainty. 10-year German yields fell 2bp to 2.47% as 10-year French yields dropped 4bp to 3.11%. In the UK, 10-year gilt yields inched down 1bp to 4.10% amidst caution ahead of key UK labour market and inflation data.

Asian stock markets started the week on a mixed note as investors digested a downward surprise in China's Q2 GDP. Hong Kong's Hang Seng lost 1.5%, with China's Shanghai ending little changed (+0.1%). Korea's Kospi edged up 0.1% whilst India's Sensex advanced 0.2%. Japan's markets were closed due to the Marine Day holiday.

Crude oil prices edged lower on Monday amid concerns about China's demand outlook. WTI crude for August delivery settled 0.4% lower at USD81.9 a barrel.

US stocks and Treasury yields rose

European stocks fell; government bonds rose

Asian stocks were mixed

Key Data Releases and Events

Releases yesterday

In **China**, **real GDP growth** slowed to 4.7% yoy (+2.8% qoq saar) in Q2 from 5.3% yoy (+6.1% qoq saar) in Q1, below market expectations. Weaker consumption and further weakness in property sector activities offset a positive contribution from exports. **June monthly indicators** were mixed. Retail sales softened in June, rising 2.0% yoy after a 3.7% yoy increase in May. Urban fixed asset investment (FAI) grew 3.9% yoy in the first six months of 2024, roughly in line with market expectations, with robust manufacturing investment, a pickup in infrastructure investment and continued contraction in property investment. Meanwhile, industrial production held up, rising by 5.3% yoy in June, supported by high-end manufacturing activity and solid exports.

Releases due today (16 July 2024)

Country	Indicator	Period	Survey	Prior
US	Retail Sales (mom)	Jun	-0.3%	0.1%

US retail sales should fall 0.3% mom in June after a slight rise in May, pointing to moderating consumer spending in Q2 2024.

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