

Investment Daily

9 January 2025



US stocks edged higher before jobs reports

US stocks ended mostly higher on Wednesday, as investors awaited Friday's jobs reports to assess the Fed policy outlook. The S&P 500 edged 0.2% higher.

US Treasuries ended little changed following recent declines, amid a solid 30-year Treasury debt auction result. The 10-year yields closed at 4.69%.

European stock markets mostly fell on Wednesday amid higher government bond yields. The Euro Stoxx 50 closed 0.3% lower. The German DAX and French CAC fell 0.1% and 0.5% respectively. In the UK, the FTSE-100 edged up 0.1%.

European government bonds fell (yields rose) amid ongoing US tariff jitters. 10-year German yields increased 7bp to 2.55%, with 10-year French yields up 6bp to 3.36%. In the UK, 10-year gilt yields jumped 11bp to 4.79%.

Asian stock markets traded mostly lower on Wednesday, amid continued US rate worries. Japan's Nikkei 225 fell 0.3%. Hong Kong's Hang Seng declined 0.9%, as China's Shanghai Composite ended a choppy session almost flat. Bucking the regional trend, markets in Korea (led by tech) and Singapore (led by banks) rallied. Elsewhere, India's Sensex was little changed (-0.1%).

Crude oil prices fell on Wednesday as US weekly inventory data showed a continued decline in crude stockpiles but a larger-than-expected rise in the gasoline inventory. WTI for February delivery settled 1.3% lower at USD73.3 a barrel.

US stocks edged higher while Treasuries ended little changed

European stocks and government bonds fell

Asian stocks traded mostly lower

Key Data Releases and Events

Releases yesterday

In the **US**, the **Fed minutes** from the December meeting revealed that many participants thought it would be appropriate to slow the pace of rate cuts with a careful approach to policy decisions over the coming quarters amid upside inflation risks.

Releases due today (09 January 2025)

Country	Indicator	Period	Survey	Prior
Mexico	Headline Inflation (yoy)	Dec	4.2%	4.6%
China	CPI (yoy)	Dec	0.1%	0.2%

In **Mexico**, headline **inflation** is expected to moderate to 4.2% yoy in December from 4.6% yoy in November, continuing its downtrend since the 2024 high of 5.6%, keeping the door open for further gradual rate cuts.

In **China**, **CPI inflation** should edge down to 0.1% yoy in December from 0.2% yoy in November, highlighting the ongoing disinflationary pressures.

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