



بنك الإمارات دبي الوطني  
Emirates NBD

## CIO OFFICE MORNING MARKET WRAP

29 August 2024

Expectations are key for markets. Nvidia had another robust set of results beating street estimates. Q2 revenue doubled to \$30 Bn, Q3 revenue guidance of \$32.5 Bn also exceeded expectation and the company approved \$50 Bn share buyback. However, in post-market trading the stock was trading down by 7%. Various concerns range from high customer concentration to snag in manufacturing of Blackwell chips. Hindenburg's scathing report on one of Nvidia's top client's Super Micro impacted sentiments as the company delayed posting results. Prior to earnings, S&P 500 had dropped by 0.6% and Nasdaq was trading down by 1.12%. Both DM and EM stocks lost 0.4% and 0.2% respectively with most of the segments in the red. Tech, Consumer Discretionary and Communication Services were the worst performing sectors.

US Treasury yields remained rangebound in the absence of any significant catalysts. Fed's Atlanta president Raphael Bostic mentioned that he's still looking for additional data to support lowering interest rates next month. The 2-year dropped by 3 bps whereas the 10-year increased by 1 bps leading to a slight steepening of the curve. The \$70 bn 5-year bond auctions were smooth with end-user demand over 86%. Today we have \$44 Bn 7-year notes auction due.

Asian stock indices are grinding down on the back of Nvidia's results and disappointing Chinese company earnings. Chip Makers like TSMC and SK Hynix Futures are trading down. Hong Kong stocks have lost 0.7% with EV makers Byd and Li Auto dragging it down. Mainland China stocks are flat. UBS has decreased its Chinese GDP growth estimates to 4.6% this year and 4% next year citing deeper issues in the country's property market slow down. Brent Crude is trading below \$79 while Gold has jumped to \$2,514. The US 10-year treasury yield trades around 3.83%.

Today we get the second estimate of US Q2 GDP and weekly Initial Jobless claims. Investors will also look at European consumer confidence and Germany's CI which is expected to moderate to 2.1%.

Have a good day!

Chief Investment Office  
Wealth Management,  
Emirates NBD.

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