



## CIO OFFICE MORNING MARKET WRAP

17 September 2024

Market continues its sideways movements ahead of the big Fed decision day tomorrow. The Fed typically orchestrates a large rate cut decision. In the absence of such indication, speculation becomes rampant. Moreover, there is absence of any top tier data to guide the markets apart from the Retail Sales and Industrial Production that are due today. The Bloomberg consensus estimates a drop of 0.2% in the Retail Sales compared to 1% rise in July. Industrial Production on the other hand is expected to increase by 0.2% vs a dip of 0.6% the previous month. Yesterday's Empire Manufacturing data came in at a solid 11.5 compared to a prediction of -4.

However, yields were not impacted by the strong data point and moved down by 2 to 4 bps. Also today, Treasury will auction \$13bn reopened 20-year bonds, the same size as the last reopening auction in July. The S&P 500 and Nasdaq moved in opposite directions yesterday. While the former climbed 0.1%, the latter dropped by 0.5%. The small cap Russell 2000 increased by 0.3%. Energy and Finance were the best performing sectors whereas Tech and Consumer Discretionary were the only sectors in the red. The battered chip maker Intel jumped almost 8% post market after it said it will make custom AI chips for Amazon's AWS while also postponing new factories in Germany and Poland. Microsoft boosted its dividends by 10% and announced a new stock buyback program of \$60 Bn with no expiration date.

This morning mainland China remains closed. Hong Kong stocks are up by 1.35% while Japanese index Nikkei is down over 2%. 10-year US Treasury yields increased by 0.2 bps to trade at 3.62%. Gold continues to hover around \$2,578 after reaching an intraday high of \$2,589 yesterday. Brent Crude increased to \$73.

Today's data dossier remains light apart from the previously mentioned retail Sales and Industrial Production from the US. From Europe, we will get the Zew Survey data points for Germany. From India we have the wholesale price and Exports growth data due.

Have a great day.

Chief Investment Office  
Wealth Management,  
Emirates NBD.

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