



CIO OFFICE MORNING MARKET WRAP

22 January 2025

Volatility as expected was back at the forefront of the markets. A flurry of executive orders and threat of tariffs against China, Mexico and Canada by 1st February whipsawed the markets. The 10-year treasury had dropped to as low as 4.53% before bouncing back to 4.58%. US equity futures had erased all gains in the morning while the markets closed in green last night. S&P 500 went up 0.8% while Russell 2000 eked out 1.8% gain. Energy was the only sector to be in the negative.

SoftBank, OpenAI and Oracle will invest an initial \$100 billion in an AI infrastructure project named Stargate. President Trump made the announcement with Masayoshi Son, Sam Altman and Larry Ellison. SoftBank rose as much as 9.2%. Netflix climbed by 15% post market after the streamer added a record 18.9 million subscribers in the fourth quarter, more than double expectations. The company reported revenue grew 16% to \$10.2 billion for the quarter, the biggest gain since late 2021, and said sales will grow faster than predicted in 2025.

Markets this morning:

Chinese shares are down while Japan equities are up this morning. Hong Kong stocks have lost 1.25% whereas mainland Chinese shares decreased by 0.8% as threat of 10% tariffs against China by next week reverberate through the markets. Gold climbed to \$2,749 while Brent Crude slipped below \$80. US 10-year treasury yields are up 1 bps to trade at 4.59%.

Upcoming Key events/data:

Macro data dossier is light for the day. From the US we get the Conference Board Leading Index and MBA mortgage Applications. Today's earnings releases include Procter & Gamble, Halliburton, Johnson & Johnson and Abbott Laboratories among others.

Have a great day.

Chief Investment Office
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