

Daily Market View

September 5, 2024

Bank of Canada cuts interest rates to 4.25%

- ▶ US JOLTS job openings for July fell to lowest level since 2021.
- ▶ US Factory orders rose 5.0% MoM versus expected 4.9%.
- ▶ The Nikkei 225 declined more than 4% on Wednesday.

Chart of the day: US job market slowing

US JOLTS Job openings for July



Source: Bloomberg

Macroeconomic news

- ▶ US JOLTS job openings for July fell to 7.673mn, lower than Bloomberg expectations 8.100mn of June's revised figure of 7.910mn.
- ▶ US factory orders rose 5.0% MoM in July, slightly higher than expectations of 4.9% MoM, but much higher than the 3.3% MoM decline we saw in June.
- ▶ The Bank of Canada cut interest rates from 4.50% to 4.25% in their September 4th meeting.

Rates and Fixed Income

- ▶ Global rates declined led by the fall in 10Y UST yields.
- ▶ Fixed income indices rose on Wednesday led by Global Treasuries.

Currencies

- ▶ Broader USD declined on Wednesday.
- ▶ The EUR, GBP, and JPY rose against the USD.

Equities

- ▶ Global equities declined with the exception of DJIA, the Nikkei 225 underperformed, declining more than 4%.
- ▶ EM underperformed DM equities on Wednesday.
- ▶ Regional equities declined with the exception of Oman.

Commodities

- ▶ Oil prices continued to fall on Wednesday after plunging more than 4% the previous day.
- ▶ Copper price hit a three-week low on Wednesday, due to worries about the prospect of weaker global economic growth. Gold prices rose slightly.

Key events in the day ahead

- ▶ US Initial Jobless Claims
- ▶ US ADP Employment Change
- ▶ US ISM Services Index

Performance snapshot*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	5.34	0.00	1.00	1.00
UAE Eibor 3m	4.89	-10.30	-9.66	-40.74
UAE Eibor 12m	4.37	-5.93	-30.09	-107.67
US 3m Bills	5.08	-3.38	-12.30	-30.95
US 10yr Treasury	3.76	-7.58	-13.67	-57.07
German 10yr Bund	2.22	-5.30	2.30	-31.00
UK 10yr Gilt	3.94	-5.50	1.50	-24.30
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	483	0.61	1.59	5.10
Global Treasuries	205	0.73	1.46	5.50
Global Corporate	284	0.55	2.09	4.57
EM USD Sovereign	404	0.20	2.76	4.81
EM LCY Sovereign	151	0.28	1.64	4.74
Global High Yield	1,636	0.16	2.63	4.29
Currencies				
Dollar Index	101.36	-0.46	-1.56	-2.64
EUR USD	1.1082	0.35	1.38	1.87
GBP USD	1.3147	0.25	3.59	2.95
USD JPY	143.74	-1.20	-0.42	-7.19
Equities				
S&P 500	5,520	-0.16	5.34	4.32
Dow Jones	40,975	0.09	5.07	5.85
NASDAQ	17,084	-0.30	4.38	1.35
STOXX 600	515	-0.97	5.40	-0.43
DAX	18,592	-0.83	7.13	1.01
Nikkei 225	37,048	-4.24	6.84	-4.61
FTSE 100	8,270	-0.35	3.03	0.46
SENSEX	82,353	-0.25	4.78	14.25
Hang Seng	17,457	-1.10	4.87	-5.35
MSCI World	3,580	-0.43	5.89	3.66
MSCI EM	1,074	-1.52	4.15	2.06
Regional Equities				
ADX	9,367	-0.13	3.12	5.03
DFM	4,365	-0.12	5.50	9.50
Tadawul	12,128	-0.43	3.84	4.44
DSM	10,321	-0.60	2.71	9.06
MSM30	4,781	0.07	2.85	-0.04
BHSE	1,944	-0.20	0.77	-4.76
KWSE	7,156	-0.45	2.30	1.67
Commodities				
BBG Commodity Index	94.9	-0.35	0.76	-6.33
Brent USD/bbl	72.7	-1.42	-4.94	-6.22
Gold USD/t oz	2,495.7	0.11	4.39	7.25
Copper USD/MT	8,830.5	-0.29	1.33	-10.43
Volatility				
VIX	21.32	2.90	-23.06	62.01
MOVE	119.15	4.33	-0.08	19.02

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – September 5th, 2024. Performance in local currency terms.

Prepared by the Investment Strategy Team

Ahmed Al Falahi

Analyst

Tel: +971 (0)2 497 3934

ahmed.a5@adcb.com

Kishore Muktinutalapati

Head - Investment Strategy

Tel: +971 (0)2 696 2358

kishore.muktinutalapati@adcb.com

Mohammed Al Hemeiri

Senior Analyst

Tel: +971 (0)2 696 2236

mohammed.alhemeiri@adcb.com

Prerana Seth, CFA

Fixed Income Strategist

Tel: +971 (0)2 696 2878

prerana.seth@adcb.com

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