



▲ The Cape of Good Hope on a sunny day.

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- UK GDP growth tops expectations in May at 0.4% m/m.
- Bad weather causes a shipping standstill at the Cape of Good Hope.
- German CPI is still seeing upward pressure from services inflation.

Markets

	Price	% Ch
S&P 500	5,633.91	▲ 1.02%
NASDAQ	18,647.45	▲ 1.18%
FTSE 100	8,193.51	▲ 0.66%
Stoxx 50	4,958.86	▲ 1.13%
Oil (Brent)	85.61	▲ 0.91%
Gold	2,378.69	▲ 0.72%
Copper	7,711.26	▲ 0.10%

Market close 10/07/2024

Headlines

- **UK GDP growth smashes expectations in May...** The UK now ranks third in Citi's Economic Surprise Index following May's GDP growth reading that beat the consensus forecast by double, coming in at 0.4% m/m. The Pound rose 0.1% against the Dollar as traders in the swaps market priced in a 50-50 chance of a BoE cut in August.

May's reading shows a significant rebound for the UK economy that showed no growth in April after [bad weather](#) put off spending and construction activity. May, on the other hand, was the hottest month on record, according to the Met Office.

- **German CPI confirmed at 2.2% in June...** The Federal Statistics Office of Germany confirmed the [preliminary reading for June's m/m CPI](#) which came in below expectations earlier this month. Both energy and food prices had overall dampening effects on the basket of goods with services inflation continuing to cause upward pressure.

- **Bad weather around the Cape of Good Hope causes shipping standstill...** Not a single ship has passed around the Cape this week, according to the LSEG, as severe weather has created waves of up to 10m high. This comes as major shipping firms have been diverting from the Red Sea to the Cape after attacks from the Houthis earlier this year; we have previously reported that [90% of Suez Canal traffic has been taking the longer route around South Africa](#). So far, some ships have turned back towards the Red Sea with others waiting off the coast of Durban, there has not yet been a significant uptick in Red Sea traffic.

Economic Calendar

Thursday

US CPI

Friday

US PPI

Upcoming Earnings

Thursday

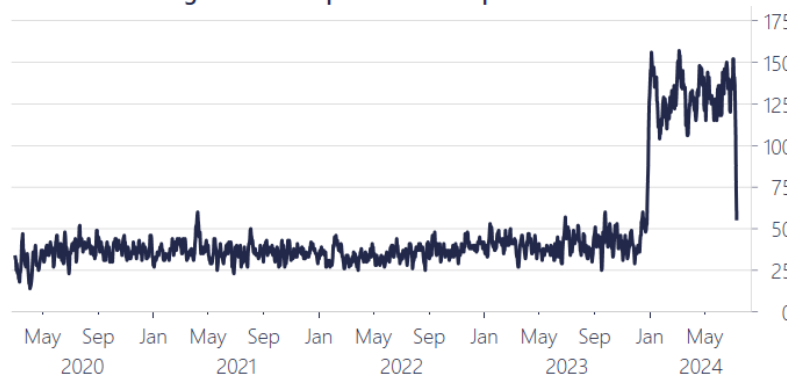
Delta; PepsiCo

Friday

JPMorgan Chase; Wells Fargo;

Citi; BNY Mellon

Container Crossings Around Cape of Good Hope



Source: Steno Research, Bloomberg and Macrobond

Source: Steno Research

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