Morning Macro Briefing: 06/08/2024

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- Global markets begin to pare losses after day of extreme volatility.
- Better-than-expected ISM PMI provided much-needed relief for equities.
- Nikkei 225 logged its worst day since Black Monday, rebounding today.

Headlines

- **Manic day in global markets yesterday as panic begins to calm down…** Yesterday saw major stock indices post their worst losses since 2022, oil was trading at a sixth-month low, the VIX volatility index hit its highest level since 2020 and Treasuries rallied, with yields falling as much as 20bps on the short end, causing the yield curve to briefly uninvert.

Panic started in Asia as they had their first chance to react to Friday's poor US jobs data, which caused hot money to flow into the Japanese yen, driving down stocks (the Nikkei 225 fell 12% on Monday). European markets then opened lower and US equities followed. It wasn't until ISM PMI data surprised to the upside, providing relief to the markets, that equities began to pare losses and the Treasury rally began to fade.

As of writing this morning, Japanese stocks have rebounded, with the Nikkei 225 climbing 7% so far on Tuesday.

- **Big tech was one of the hardest hit in yesterday's sell-off…** Shares in Nvidia fell as much as 15% in early trading as the company reportedly told customers that design flaws would cause delays to its latest AI chip, Blackwell B200. Apple shares were also down after traders digested the news that Berkshire Hathaway had cut its stake in the tech company by half.

- **M/m PPI rose more than expected in the EU in June…** PPI, which measures inflation at a wholesale level, came in hotter than expected in June at 0.5% m/m. Annual PPI fell by 3.2%, which was in line with analyst estimates. Also released yesterday was Sentix's investor confidence survey results for Europe, which showed confidence had slowed to -13.9 in August from -7.3 in July.

In other news:

- Reserve Bank of Australia keeps interest rates on hold at 4.35%.

Earnings

- **Global Ship Lease** beat earnings estimates by 8%, recording revenue of $175m, up from $162.08 a year ago.

▲Japanese stocks led a global sell-off on Monday.

Markets

	Price	% Ch
S&P 500	5,186.33	▼ 3.00%
NASDAQ	16,200.08	▼ 3.43%
FTSE 100	8,008.23	▼ 2.39%
Stoxx 50	4,571.60	▼ 1.45%
Oil (Brent)	76.22	▼ 1.23%
Gold	2,402.82	▼ 1.29%
Copper	6,958.21	▼ 1.77%

Market close 05/08/2024

Economic Calendar

Tuesday
Swiss Unemployment & Retail Sales (Jul), UK Construction PMI (Jul), EU Retail Sales (Jun)

Wednesday
China Trade Data (Jul), Germany Trade & Industrial Production (Jun), China FX Reserves (Jul)

Thursday
BoJ Rate Decision Opinions, Weekly Jobless Claims (Aug 2)

Friday
China CPI (Jul), German Inflation (Jul)

Upcoming Earnings

Tuesday
Uber, Constellation Energy Rivian, Airbnb, Reddit, ABRDN

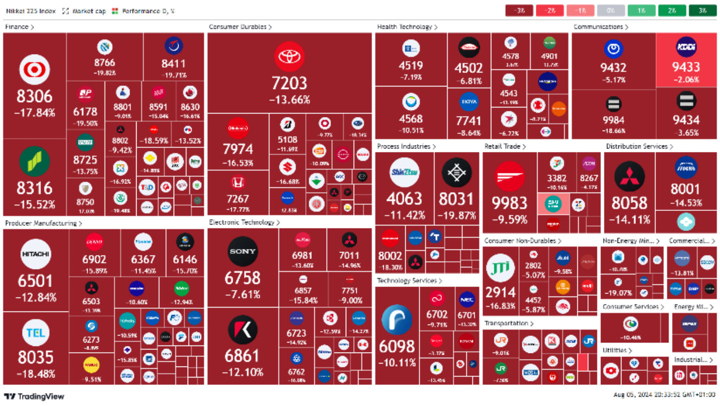
Wednesday
Shopify, Disney, Lyft, Robinhood

Thursday
Eli Lilly & Co, Paramount, Deliveroo, Savills

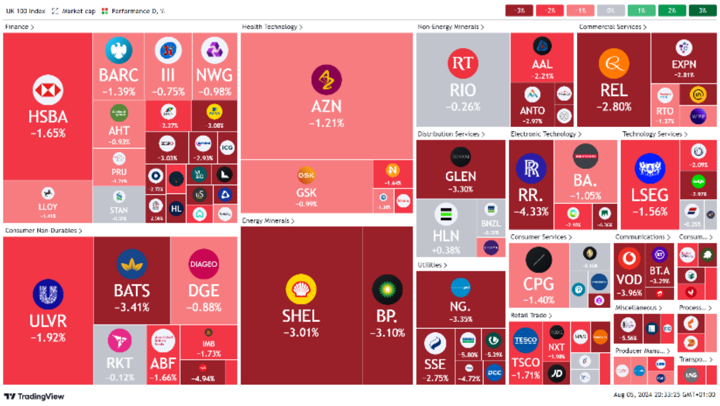
Friday
Embraer, Hargreaves Lansdown

Global Markets 05/08/2024

Nikkei 225



FTSE 100



Stoxx 600

S&P 500

Prices shown at the close. Source: TradingView