



CROSS WEEKLY

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01 July 2024

Brief Weekly Overview

US Core PCE rose 0.1% in May, Month-over-Month, in line with consensus, while household spending bounced back from April's decrease.

Marine Le Pen's far right, National Rally, won the first round of France's legislative election. French voters' turnout was the highest in nearly 40 years.

All 31 of the largest US banks passed the Fed's annual stress tests, satisfying regulators that could weather a scenario where unemployment rose to 10% during a deep recession.

Federal Reserve Bank of Richmond President Thomas Barkin stated the fight against inflation is not yet won as the job market and consumers remain resilient amid higher asset valuations.

Several European commercial mortgage bonds with high credit ratings are expected to suffer losses amid rising borrowing costs. The increased conservative borrowing levels today have meant that the signs of distress have been slower to emerge.

RBI Governor Shaktikanta Das stated that India is moving closer to 8% sustained economic growth but only if inflation is under control.

Singapore core CPI was unchanged at 3.1% in May Month-over-Month as the increase in the cost of services were offset by lower energy and goods prices.

NAME	CURR	LAST PRICE	DAILY CHANGE	MTD	YTD
EQUITIES					
MSCI ACWI Index	USD	802.01	-0.22%	2.10%	10.32%
S&P 500 Index	USD	5460.48	-0.41%	3.47%	14.48%
Dow Jones Industrial Average	USD	39118.86	-0.12%	1.12%	3.79%
Nasdaq Composite Index	USD	17732.60	-0.71%	5.96%	18.13%
STXE 600 PR Index	EUR	511.42	-0.23%	-1.30%	6.77%
FTSE 100 Index	GBP	8164.12	-0.19%	-1.34%	5.57%
MSCI Asia Ex. Japan Index	USD	696.58	0.33%	3.87%	8.58%
Nikkei 225 Tokyo	JPY	39583.08	0.61%	2.85%	18.28%
Shanghai A Share Index	CNY	3110.91	0.73%	-3.86%	-0.26%
MSCI EM Index	USD	1086.25	0.40%	3.55%	6.11%
FIXED INCOME					
US2YT Yield	-	4.7535	4.16bps	-11.92bps	50.36bps
US10YT Yield	-	4.3961	10.97bps	-10.24bps	51.7bps
Bunds 10Y Yield	-	2.5000	5.2bps	-16.4bps	47.6bps
BBG USD HY Corp	-	7.9100	-1bps	-9bps	32bps
FOREX					
Euro/US Dollar	USD	1.0713	0.08%	-1.24%	-2.95%
US Dollar/Japanese Yen	JPY	160.8800	0.07%	2.27%	14.07%
US Dollar/Singapore Dollar	SGD	1.3560	-0.18%	0.36%	2.70%
British Pound/US Dollar	USD	1.2645	0.05%	-0.76%	-0.68%
US Dollar/ Chinese Yuan	CNY	7.2673	-0.02%	0.35%	2.36%
Australian Dollar/ US Dollar	USD	0.6670	0.35%	0.26%	-2.08%
US Dollar Index	-	105.8660	-0.04%	1.14%	4.47%
GOLD / OIL					
Brent Crude	USD	86.41	0.02%	5.87%	12.16%
Gold Spot Price	USD	2326.75	-0.04%	-0.02%	12.79%



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EQUITIES

- US equities were flat last week. Small-caps and information technology stocks were the best performers with growth stocks performing better than their value counterparts. The Fed's consideration on a lighter additional capital requirements for banks followed by the passing of the Fed's annual stress test saw the BKW Bank Index climbing more than 2%. Both the S&P 500 and the tech-heavy Nasdaq 100 lost 0.1% through the week.
- Major European indices ended mixed last week amid increased political uncertainty in France. Jobless rate in Germany rose to 6% in June while business and consumer conditions fell from May's 89.3 to 88.6 in June, underscoring the increased propensity to save. The European Commission's economic sentiment painted a mixed picture in the eurozone. While the sentiment fell from 96.2 to 95.9, consumers confidence increased to -14, suggesting they were less pessimistic. The pan-European Stoxx 600 declined 0.7% in a week.
- Japan equity markets ended higher last week as the weak yen lent support to export-heavy industries. Finance Minister Shunichi Suzuki reaffirmed that excessive volatility in the currency market should be avoided, and authorities will respond appropriately. Both industrial production and retail sales grew by more than anticipated in May. The Nikkei 225 Index rose 2.6% while the Topix rose 3.1%.
- Chinese equities declined last week as economic data raised concerns on a slowing economy. While industrial profits increased by 0.7% in May Year-over-Year, the Month-over-Month decline underscored weak consumption as persistent deflationary pressure persists. Global funds sold approximately RMB 49.4 bn of onshore shares last week which contributed to the decline. Both the Shanghai Composite Index and the CSI 300 lost 1% through the week. The Hang Seng Index fell 1.7%.

FIXED INCOME

- Government bond yields in the eurozone rose ahead of inflation prints in the US and eurozone. The yield spread between French and German debt widened ahead of France's election, June 30.

FOREX

- Gold rose following the release of US PCE inflation data and traded about US\$2,330 as a cooling of prices was in line with expectations.

MACRO

- Tokyo CPI excluding fresh food rose 2.1% in June Year-over-Year, accelerating from May's 1.9%, and above consensus of 2%, contributed by higher energy prices and industrial output.
- Average vacancy rates at logistics hubs in many parts of China are approaching 20%, the highest in years, as business activity slowed.

DIRECT EQUITIES

- Nike Inc. (NYSE: NKE) share price plummeted nearly 20% following the company's warning that sales for its current quarter were expected to decline by 10% and its fiscal 2025 sales are expected to be down mid-single digits.

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