



# CROSS WEEKLY

## CROSSINVEST

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19 August 2024

### Brief Weekly Overview

US CPI and US core CPI rose 0.2% in July Month-over-Month, an acceleration from June, where shelter accounted for 90% of the monthly increase.

Federal Reserve Bank of Chicago President Austan Goolsbee stated he is more concerned about the labour market than inflation.

The DoJ is considering to dismantle Alphabet Inc.'s Google for illegal monopolisation of the online search market.

Japan's GDP expanded at an annualised pace of 3.1% in Q2 Quarter-over-Quarter, above consensus of 2.3% and a contraction of 1.8% in Q1.

Slump in China's home prices eased slightly in July from a decline of 0.67% in June to a decline of 0.65% in July, signaling the government's forceful rescue efforts are offering some relief for the economy.

Singapore's July non-oil domestic exports (NODX) surged 15.7% Year-over-Year, reversing from June's 8.8% decline.

Thailand's parliament has picked Paetongtarn Shinawatra, the daughter of billionaire tycoon and former leader Thaksin, as prime minister.

Both Israel and Hamas blamed each other for sabotaging a hostage and cease-fire deal in the recent round of negotiations on Sunday.

NAME	CURR	LAST PRICE	DAILY CHANGE	MTD	YTD
<b>EQUITIES</b>					
MSCI ACWI Index	USD	817.41	0.57%	0.40%	12.44%
S&P 500 Index	USD	5554.25	0.20%	0.58%	16.45%
Dow Jones Industrial Average	USD	40659.76	0.24%	-0.45%	7.88%
Nasdaq Composite Index	USD	17631.72	0.21%	0.18%	17.46%
STXE 600 PR Index	EUR	511.45	0.31%	-1.30%	6.78%
FTSE 100 Index	GBP	8311.41	-0.43%	-0.68%	7.48%
MSCI Asia Ex. Japan Index	USD	697.17	1.89%	0.68%	8.67%
Nikkei 225 Tokyo	JPY	38062.67	3.64%	-2.66%	13.74%
Shanghai A Share Index	CNY	3017.92	0.07%	-2.03%	-3.24%
MSCI EM Index	USD	1093.65	1.64%	0.82%	6.83%
<b>FIXED INCOME</b>					
US2YT Yield	-	4.0497	-4.33bps	-20.79bps	-20.03bps
US10YT Yield	-	3.8826	-3.05bps	-14.7bps	0.35bps
Bunds 10Y Yield	-	2.2470	-1.6bps	-5.7bps	22.3bps
BBG USD HY Corp	-	7.4700	-6.01bps	-12bps	-12bps
<b>FOREX</b>					
Euro/US Dollar	USD	1.1027	0.50%	1.86%	-0.11%
US Dollar/Japanese Yen	JPY	147.6300	-1.11%	-1.57%	4.67%
US Dollar/Singapore Dollar	SGD	1.3159	-0.49%	-1.50%	-0.33%
British Pound/US Dollar	USD	1.2944	0.69%	0.68%	1.67%
US Dollar/ Chinese Yuan	CNY	7.1592	-0.22%	-0.93%	0.83%
Australian Dollar/ US Dollar	USD	0.6669	0.86%	1.94%	-2.10%
US Dollar Index	-	102.4630	-0.50%	-1.57%	1.12%
<b>GOLD / OIL</b>					
Brent Crude	USD	79.68	-1.68%	-1.29%	3.43%
Gold Spot Price	USD	2508.01	2.08%	2.47%	21.57%



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### EQUITIES

- US equities rallied as the “soft landing” narrative appears to be gaining traction. Positive data on inflation and growth saw the Nasdaq Composite leading the gains last week, with growth stocks outpacing their value counterparts. Shares of Alphabet fell midweek following reports that the Justice Department could be divesting the company. Retail sales surged 1% in July, the strongest showing in 18 months, and alongside Walmart’s guidance, underscored the strength of consumer spending. The S&P 500 climbed 3.9% while the tech-heavy Nasdaq 100 climbed 5.4% through the week.
- Major European indices ended higher last week as the next round of interest rate cuts as early as September continue to build momentum. In Q2, the eurozone expanded 0.3% while employment expanded 0.2%, underscoring continued resilience despite Germany’s unexpected contraction. The UK headline inflation rose 2.2% in July, but prices of services slowed more than estimated, boosting likelihood of interest rate cuts later this year. The pan-European Stoxx 600 rose 2.5% in a week.
- Japan equity markets exhibited a sharp rebound following better-than-expected US economic data and a weaker yen. Japan’s Q2 GDP expanded 0.8% from the previous quarter, a tailwind for equities. Prime Minister Fumio Kishida stated he will not seek reelection as the Liberal Democratic Party leader following low approval ratings. The Nikkei 225 Index rose 8.7% while the Topix climbed 7.9% in a week.
- Chinese equities were higher last week despite weaker-than-expected economic data. Industrial production slowed, partly due to lower auto sales. Retail sales surprised on the upside, but new bank loans increase was below consensus. New home prices extended declines in July, underscoring persistent sluggish demand in smaller towns. The Shanghai Composite Index rose 0.6% while the CSI 300 climbed 0.4% through the week. The Hang Seng Index gained 2%.

### FIXED INCOME

- The 10-year government bond yield jumped to approximately 0.88%, tracking the rise in US bond yields and rebounding from recent lows as better-than-expected US economic data allayed recession fears.

### FOREX

- The USD/JPY pair eased late last week, slipping below 149 as the US Dollar faced selling pressure.

### MACRO

- New US home construction fell 6.8% to a 1.2 mn annualised rate in July, below consensus of 1.3 mn.
- Japan’s GDP expanded at an annualised pace of 3.1% in Q2 Quarter-over-Quarter, above consensus of 2.3%.

### DIRECT EQUITIES

- UBS Group AG (SWX: UBSG) share price rose 0.7% after the Swiss bank stated it will liquidate a U\$2 bn real estate fund acquired when it acquired Credit Suisse.

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