



بنك الإمارات دبي الوطني
Emirates NBD

CIO OFFICE MORNING MARKET WRAP

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US Treasury Yields rose 5-10bp and the curve bearishly steepened following stronger than expected retail sales and initial claims data. Retail Sales came in at 0.4% Vs 0.1% and higher than the estimated 0.3%. Initial Jobless claims dipped to 241k vs 258k indicating the labour market is not in a free fall. Industrial Production however, came in lower than anticipated as it contracted by 0.3%. The 30-year treasury yields trade around 4.4%. Both S&P 500 and Nasdaq 100 were flat last night. TSMC shares hit a record high after the chipmaker topped quarterly estimates and raised its target for 2024 revenue growth, allaying concerns about global chip demand and the sustainability of an AI hardware boom. Netflix Inc. added more than 5 million customers in the third quarter. Sales for the period grew 15% to \$9.83 billion while earnings increased to \$5.40 a share beating analyst estimates.

ECB as expected cut rates by 25 bps yesterday. officials reckon another interest-rate cut in December is highly likely, with inflation to settle at 2% faster than envisaged. President Christine Lagarde refused to be drawn on when and how quickly rates will be decreased — even as she argued that downside risks to inflation outweigh upside threats. Earlier in the day, data showed that the European CPI moderated to 1.7% in September from 2.2% the previous month.

China's Q3 GDP growth came in at 4.6% which is slightly higher than the anticipated 4.5%. However, this is the slowest pace since March 2023 and down from a 4.7% expansion in the second quarter. Other key indicators show a broad improvement in different parts of the economy in September. Industrial production rose 5.4%. Retail sales climbed 3.2%, beating a projected 2.5% gain. Fixed-asset investment expanded 3.4% in the first nine months, compared with an estimate of 3.3%. PBOC aid it set up a relending mechanism with an initial 300 billion yuan (\$42.1 billion) quota for bank loans used in share buybacks. Both Hang Seng and Chinese mainland shares jumped by 0.8% this morning,

Japan's key inflation gauge rose 2.4% in September from a year earlier, decelerating from August but slightly stronger than expected. Nikkei increased by 0.3%. 10-year US Treasury yields jumped to 4.09%. Gold climbed above \$2,705. Brent Crude trades at 74.6.

Egypt left rates on hold at 27.25%. Turkey's central bank extended its interest-rate pause at 50% for a seventh month and adopted a more hard-line stance on the course of inflation, pushing back expectations for a rate cut into next year.

Today, we get UK Sept. Retail Sales which is expected to drop 0.4%. From the Fed, we will have Bostic, Waller and Kashkari speak at various events. Procter& Gamble and American Express release their earnings later today among others.

Have a good day!

Chief Investment Office
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