

MARKET UPDATE

31/10/2023

Oil rises on supply concerns.

Oil prices rebounded in Asian trade on Tuesday, after a drop of more than 3% in the previous session, as worries over supply stirred by conflict in the Middle East offset dismal China data.

December Brent crude futures, set to expire on Tuesday, rose 65 cents, or 0.74%, to stand at \$88.10 a barrel by 0637 GMT. The more heavily traded January Brent crude futures climbed 63 cents, or 0.73%, to \$86.98.

U.S. West Texas Intermediate crude increased 67 cents, or 0.81%, to \$82.98.

Oil tumbled on Monday as investors grew cautious ahead of Wednesday's U.S. Federal Reserve meeting, despite an escalation of Israel's attacks on Gaza.

"Although it implemented a ground attack, it also retreated very quickly and Iran is currently only resorting to verbal deterrence," said CMC Markets (LON:CMCX)' analyst Leon Li, who is based in the Chinese commercial hub of Shanghai.

European stock futures largely higher.

European stock markets are expected to open largely higher Tuesday, as investors digest more corporate earnings ahead of the release of key regional growth and inflation data, overshadowing disappointing Chinese activity data.

At 02:20 ET (07:20 GMT), the DAX futures contract in Germany traded 0.3% higher, CAC 40 futures in France climbed 0.3% and the FTSE 100 futures contract in the U.K. traded largely unchanged.

Eurozone growth, inflation data due

Investors will have the opportunity to study the latest eurozone growth and inflation data later in the session, as they look for clues of future European Central Bank monetary policy decisions.

Gross domestic product is expected to grow by just 0.2% on an annual basis in the third quarter, a drop from 0.5% growth the prior quarter, while consumer prices are seen rising 3.1% annually in October, a drop from 4.3% the previous month.

French GDP grew 0.1% on the quarter, data showed earlier Tuesday, showing annual growth of 0.7%, while German retail sales slumped 0.8% on the month in September, an annual drop of 4.3%.



Carlsberg warns weak consumer sentiment may hurt beer sales.

Danish brewer Carlsberg (CSE:CARLb) on Tuesday reported third-quarter sales broadly in line with expectations but warned that weak consumer sentiment in Europe and Southeast Asia could impact beer markets negatively.

The world's third-biggest brewer said sales rose 0.3% to 20.3 billion Danish crowns (\$2.89 billion) from 20.2 billion a year earlier, slightly below an estimated 20.4 billion in a company poll.

"We delivered solid revenue growth in a challenging environment," Carlsberg's new CEO Jacob Aarup-Andersen said in a statement.

"The growth was driven by continued strong revenue per hectolitre improvement and outperformance by our premium portfolio," he said.

Carlsberg reiterated its full-year organic operating profit of 4% to 7% after it hiked its outlook for a second time in August this year.

Carlsberg also on Tuesday launched a new quarterly share buy-back program of 1 billion Danish crowns.

(\$1 = 7.0362 Danish crowns)

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