MARKET UPDATE

13/11/2023

Higher US yields hurt Asia equities.

A tick up in U.S. Treasury yields on Monday helped send the dollar to a fresh one-year high against the yen, while scuppering an early tech-led equity rally.

Benchmark 10-year Treasury yields pushed to a one-week high of 4.668%, testing the top of its range since soft non-farm payroll figures at the start of the month stoked bets for earlier Federal Reserve rate cuts.

The dollar climbed to 151.78 yen for the first time since mid-October of last year, despite being stable against the euro and sterling.

Japan's tech-heavy Nikkei gave up early gains of more than 1% to end the day almost flat.

Tech still outperformed to help Hong Kong's Hang Seng keep its head above water, against the drag from a 1.2% slide in an index of property shares. Mainland Chinese blue chips slipped 0.24%.

U.S. equity futures also pointed 0.44% lower, following Friday's 1.56% rally for the S&P 500.

European stock futures mixed.

European stock markets are expected to open in a mixed fashion Monday, as investors fret about the global growth outlook amid restrictive monetary policies.

At 02:15 ET (07:15 GMT), the DAX futures contract in Germany traded 0.3% higher, while the FTSE 100 futures contract in the U.K. fell 0.2%.

Weak eurozone economic outlook

The economic outlook for the eurozone took a turn for the worse last week, as the downturn in the region's business activity accelerated last month, suggesting there is a growing chance of a recession either this year or early next.

This view hasn't been helped by economic weakness in China, the world's second largest economy and a major export market for a number of Europe's major companies.

Data showed China's Singles Day shopping fiesta over the weekend - equivalent to Black Friday sales in the U.S. - recorded only meagre growth, indicating that the country's consumers still lack confidence.

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Hyundai breaks ground on $1.5 billion EV plant.

Hyundai Motor Co broke ground on Monday on a 2 trillion won ($1.52 billion) plant dedicated to making electric vehicles (EVs) in South Korea, as the automaker accelerates a shift away from petrol-powered cars.

Hyundai Motor (OTC:HYMTF), the world's No.3 automaker by sales with its affiliate Kia Corp, plans to begin mass production from the plant in the first quarter of 2026. Construction is expected to end in 2025.

The factory in Ulsan, in the southeast, will have an annual capacity of 200,000 units and the company said its first model will be an electric sport utility vehicle (SUV) from its luxury brand Genesis.

Hyundai Motor Group, which encompasses Hyundai Motor, Kia and Genesis brands, said in April it plans to launch 31 EV models by 2030.

"I trust Ulsan will be an innovative mobility city that leads the way in the era of electrification," Hyundai Motor Group's Executive Chair Euisun Chung said at the groundbreaking ceremony for the plant, the automaker's first new factory in South Korea in 29 years.

The Ulsan complex is Hyundai's biggest manufacturing site, with its own port and an annual production capacity of 1.4 million vehicles, including exports of 1.1 million units.

Hyundai Motor has said it would stick to its EV rollout plans in contrast to some rivals that have pulled back on EV production due to cooling demand.

Last year, Hyundai Motor Group broke ground on a $5.54 billion EV and battery plant in the U.S. state of Georgia.

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