

# MARKET UPDATE

08/04/2024

## Asia stocks muted and dollar steady.

Asian shares started the week on a subdued note on Monday, while the dollar was steady as investors weighed when the U.S. Federal Reserve will start cutting rates in the wake of yet another blowout jobs report.

Oil prices fell more than 1% as Middle East tensions eased after Israel withdrew more soldiers from southern Gaza, while gold prices extended their record rally and touched a new all-time high. [O/R][GOL/]

MSCI's broadest index of Asia-Pacific shares outside Japan was 0.17% higher, while Tokyo's Nikkei rose 0.78%.

European stock markets looked set for a muted open, with Eurostoxx 50 futures up 0.04%, German DAX futures up 0.05% and FTSE futures 0.10% higher. E-mini futures for the S&P 500 eased 0.10%.

Data on Friday showed U.S. job growth blew past expectations in March and wages increased at a steady clip, suggesting the economy ended the first quarter on solid ground.

## Oil slides more than 1%.

Oil prices slid more than \$1 a barrel on Monday, with Brent falling below \$90, as Middle East tensions eased after Israel withdrew more soldiers from southern Gaza and committed to fresh talks on a potential ceasefire in the six-month conflict.

Brent crude futures dropped \$1.48, or 1.6%, to \$89.69 a barrel by 0615 GMT.

U.S. West Texas Intermediate crude was at \$85.54 a barrel, down \$1.37, or 1.5%.

"It appears the catalyst is Israel saying it has withdrawn all troops except one brigade from the Southern Gaza strip, likely in response to growing international pressure and to deescalate tensions after it killed senior Iranian commanders in Syria last week," IG market analyst Tony Sycamore said.

Auckland-based independent analyst Tina Teng said: "This could be just a temporary pullback as the event did not offer any fundamental changes."

## Hong Kong looking at more steps to boost stock market.

Hong Kong's leader John Lee said on Monday the authorities were considering additional measures to bolster the securities market in the Asian financial hub, which has taken a hit from China's economic slowdown and geopolitical tensions.

The city's economy expanded by just 3.2% last year, and capital flight turned the Hong Kong stock market into the worst-performing major index last year. India has now overtaken Hong Kong in terms of the value of listed shares.

Lee told the inaugural HSBC Global Investment Summit in Hong Kong that a host of measures had already been taken, including improving the listing regime for specialised technology companies, to enhance competitiveness.

"We are pleased that we're considering additional measures from improving the transaction mechanism to boosting investment services and stepping up market promotion," he said, without giving any details.

Hong Kong's Hang Seng Index tumbled nearly 14% in 2023, its fourth consecutive year of decline.

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