MARKET UPDATE

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Meta's Frankfurt-listed shares rise 7.9%.

Meta Platforms (NASDAQ:META) shares rose 7.9% in Frankfurt in thin volumes on Thursday, after the U.S. tech giant beat market expectations for second-quarter revenue on Wednesday.

Meta's Q2 revenue rose 22% to $39.1 billion, beating expectations.

Meta shares ended Wednesday's regular session up 2.5%, but rose 5% in after-hours trade following its results.

BOJ shift gives yen a shake.

The Bank of Japan's move to raise interest rates to their highest in 15 years has jolted the yen to its strongest against the dollar since March and left it poised for further gains, as investors reassess carry trades, once the year's favoured play.

The shift will come as a relief to Japan's Ministry of Finance which spent 5.53 trillion yen ($37 billion) in the foreign exchange market to prop up their currency this month, Wednesday data showed, their second batch of intervention of the year.

Wednesday's rate hike was the largest since 2007 and came just months after the BOJ ended eight years of negative interest rates. Governor Kazuo Ueda, furthermore, did not rule out another hike this year and stressed the bank's readiness to keep raising borrowing costs to levels deemed neutral to the economy.

The dollar dropped 1.7% against the Japanese currency to 150.2 yen after the BOJ's move and is now over 10 yen lower than its early July level of 161.9.

That July level was the Japanese currency's weakest since 1986. The yen came under heavy pressure as benign market conditions and a wide gap between borrowing costs in Japan and those elsewhere meant it was a popular choice as a funding currency for carry trades.

These see investors borrow in a currency where interest rates are low - the yen has been popular - and then swap them for another currency in which they can invest in higher yielding assets.

They had been very popular with investors earlier in the year as global rate cuts that had been expected early in 2024 got pushed back, and currency prices were stable - sudden swings in price can wipe out gains from yield differentials.

France, Germany property markets flounder as UK rebounds.

French and German commercial property markets remained in the doldrums as deal volumes tumbled in the second quarter of 2024, while the British market showed signs of rebounding, data published by MSCI Real Assets showed on Thursday.

Europe's commercial real estate sector has been pummeled by soaring debt costs, tumbling values and emptier post-pandemic offices, leading to eight straight quarters of annual declines in property sales.

However, the rate of decline flattened out in the April-June period, MSCI's data shows, with sales falling just 2% annually to 44 billion euros ($48 billion) across Europe, compared with a 26% drop in the previous quarter.

Deal volumes were propped up by a 26% annual jump in sales in Britain to 14.2 billion euros, which MSCI said suggested the market had "turned a corner".

Meanwhile, France and Germany continued to show signs of distress. French property sales were down 45% to 3.9 billion pounds, while German sales dropped 22% to 7 billion pounds.

"It's too soon to start celebrating, even if the worst of the downturn since mid-2022 may be behind us," said Tom Leahy, head of EMEA real estate research at MSCI.

"The office sector remains in the doldrums and in certain markets, notably France and Germany, there is still a gulf in price expectations between buyers and property owners looking to sell."