

MARKET UPDATE

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European stocks fall on growth concerns.

European stock markets fell Wednesday, following the sharp selloff seen on Wall Street overnight as growth concerns weighed heavily on the market-leading tech giants.

At 03:05 ET (07:05 GMT), the DAX index in Germany traded 1.1% lower, the CAC 40 in France fell 0.9% and the FTSE 100 in the U.K. dropped 0.8%.

Weak U.S. growth concerns weigh heavily

The main European indices weakened Wednesday, following on from losses in Asia and after growth concerns drove the steepest selloff in a month on Wall Street overnight as U.S. investors returned from their Labor Day holiday.

The equity selloff was fueled by weak U.S. manufacturing data that exacerbated concerns over the economic outlook.

The Dow Jones Industrial Average lost 1.5%, the S&P 500 fell 2.1%, its worst day since early August, and the Nasdaq Composite slumped 3.3%, weighed by a 9% drop in Nvidia (NASDAQ:NVDA), the chipmaker's biggest one-day drop ever, wiping out \$279 billion in market cap.

Oil extends drop on easing Libyan dispute.

Oil prices fell on Wednesday, extending a plunge of more than 4% the previous day, on expectations that a political dispute halting Libyan exports could be resolved and concerns over lower global demand growth.

Brent crude futures for November fell 37 cents, or 0.5%, to \$73.38 by 0330 GMT, after the previous session's fall of 4.9%. U.S. West Texas Intermediate crude futures for October were down 41 cents, or 0.6%, at \$69.93, after dropping 4.4% on Tuesday.

Both contracts fell to their lowest since December on signs of a deal to resolve the political dispute between rival factions in Libya that cut output by about half and curbed exports.

"Selling continued in Asia amid expectations of a potential deal to resolve the dispute in Libya," said Toshitaka Tazawa, an analyst at Fujitomi Securities Co Ltd.

"The market remained under pressure also because of concerns over sluggish fuel demand following weak economic indicators from China and the United States."

Libya's two legislative bodies agreed on Tuesday to jointly appoint a central bank governor, potentially defusing the battle for control of oil revenue that set off the dispute.



UK's FTSE 100 hits three-week low.

UK's main stock index hit a three-week low on Wednesday amid a broad-based decline, after concerns over U.S. economic performance hit market sentiment ahead of a slew of central bank monetary policy decisions later this month.

The blue-chip FTSE 100 index was down 0.7%, as of 0715 GMT, after logging its steepest single-day decline in two weeks on Tuesday. The domestically-focused mid-cap FTSE 250 fell 0.9%, after its biggest drop in almost a month.

Medical equipment and household goods were the worst-hit sectors, down 2.1% and 1.4%, respectively.

Investor sentiment took a hit on Tuesday after an overall weak U.S. manufacturing data brought back jitters over the strength of the world's largest economy, which had sparked a global stocks rout in early August and deepened calls for a Federal Reserve interest rate cut this month.

While U.S. futures fell after the sharp Wall Street rout overnight, Europe's STOXX 600 also dropped 1% on the day.

While September has proved to be a weak month, if historical data is anything to go by, a bevy of factors could dictate the course of market performance. As a September U.S. rate cut is almost fully priced in, investors will be looking for clues to gauge the quantum of such a cut.

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