

# MARKET UPDATE

**04/11/2024**

## **Asia stocks rise with China stimulus.**

Most Asian stocks rose on Monday with investors looking to more cues on fiscal stimulus from a meeting of China's top policymakers this week, although risk aversion before the U.S. elections kept gains limited.

Regional trading volumes were also low on account of a market holiday in Japan. Nikkei 225 futures fell 0.2%.

Asian markets took some positive cues from a softer-than-expected U.S. nonfarm payrolls reading on Friday, which furthered bets that a cooling labor market will bring more interest rate cuts from the Federal Reserve.

China's Shanghai Shenzhen CSI 300 and Shanghai Composite indexes rose 0.5% and 0.3%, respectively, while Hong Kong's Hang Seng index added 0.7%.

The National People's Congress' Standing Committee begins a four-day meeting on Monday, where the body is widely expected to outline more fiscal spending.

Recent reports said the body could approve an additional \$1.4 trillion in new debt over the coming years to boost growth, especially as the Chinese economy grapples with persistent deflation and a prolonged property market crash.

## **Oil prices rally 1.5%.**

Oil prices rose sharply in Asian trade on Monday after the OPEC+ said it will delay a planned output hike in December by at least a month, citing recent pressure on prices from weak demand.

Oil had risen in recent sessions after reports said the cartel was considering such a move, due to pressure on oil prices from concerns over weak demand and higher production outside the cartel.

Brent oil futures expiring in January rose 1.5% to \$74.23 a barrel, while West Texas Intermediate crude futures rose 1.6% to \$70.17 a barrel by 20:08 ET (01:18 GMT).

**OPEC+ delays Dec. production hike**

The Organization of Petroleum Exporting Countries and allies, which include Russia, said on Sunday they will delay a planned output hike of 180,000 barrels per day by at least a month.

## Dollar falters, stocks tick up.

Financial markets began the week on a cautious note, though moves in currencies stole the spotlight on Monday ahead of a busy week headlined by the U.S. presidential race which is set to come down to the wire.

The week will also provide investors with global monetary policy catalysts with rate decisions from the Federal Reserve, the Bank of England (BoE), the Reserve Bank of Australia (RBA), Riksbank and Norges Bank.

China's National People's Congress (NPC) standing committee meets from Nov. 4 to Nov. 8, which will be closely watched for further details of a raft of stimulus measures that were announced recently.

Trading was thinned in Asia with Japan out for a holiday, but much of the early action was in currencies amid a broad fall in the U.S. dollar.

Against the yen, the greenback slid 0.75% to 151.82, while the euro jumped 0.62% to \$1.0901.

The Australian dollar rose 0.76%, while China's yuan gained 0.46% in the onshore market.

Dealers said the dollar's decline might be linked to a well-respected poll that showed Democratic candidate Kamala Harris taking a surprise 3-point lead in Iowa, thanks largely to her popularity with female voters.

Still, Harris and Republican candidate Donald Trump remain virtually tied in opinion polls ahead of Tuesday's election and the winner might not be known for days after voting ends.

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