

# Daily European Opening News

15th March 2024

## SNAPSHOT

STOCKS			
Nikkei 225	-0.3%	ASX 200	-0.6%
Hang Seng	-2.0%	Shanghai Comp	+0.1%
Euro Stoxx 50 Jun'24	-0.1%	DAX Jun'24	-0.1%
ES Jun'24	-0.1%	NQ Jun'24	-0.3%

FX			
DX	Unch. (103.42)	EUR/USD	Unch. (1.0875)
USD/JPY	Unch. (148.30)	GBP/USD	-0.1% (1.2734)

BONDS			
US T-Note Jun'24	+3 ticks	Bund Jun'24	-5 ticks
US 10yr Yield	4.27%	German 10yr Yield	2.43%

ENERGY & METALS			
WTI Apr'24	-0.2%	Brent May'24	-0.2%
Spot Gold	+0.3%	3M LME Copper	+1.6%

CRYPTO			
Bitcoin	-4.1%	Ethereum	-3.9%

As of 06:16GMT/01:16EDT

## LOOKING AHEAD

- Highlights include German Wholesale Price Index, US Import Prices, Canadian Wholesale Trade, UoM Inflation Expectations, BoE Inflation Attitudes Survey, Japan's Rengo Wage Hike Announcement, Comments from ECB's Lane.
- Click [here](#) for the Newsquawk Week Ahead.

## US TRADE

### EQUITIES



- **US stocks** were lower and there was notable weakness in Treasuries after hot PPI data further stoked inflationary concerns following the CPI report earlier this week. The pressure in stocks was greatest in the rate-sensitive Russell 2000 small cap index and the amount of Fed easing priced across 2024 dipped to 75bps from 80bps before the data, while the miss on Retail Sales added to the headwinds.
- **SPX** -0.29% at 5,150, **NDX** -0.30% at 18,014, **DJIA** -0.35% at 38,905, **RUT** -1.96% at 2,031.
- Click [here](#) for a detailed summary.

## NOTABLE HEADLINES

- **US President Biden and Commerce Secretary Raimondo are to announce Intel's (INTC) CHIPS Act grant in Arizona on March 20th**, according to Reuters sources.

## APAC TRADE

### EQUITIES

- **APAC stocks** declined amid data-related headwinds from the US including hot PPI and weak Retail Sales.
- **ASX 200** was dragged lower by underperformance in mining-related industries after iron ore resumed its slide.
- **Nikkei 225** retreated amid cautiousness ahead of the RENG0 wage announcement and its potential ramifications on BoJ policy as reports had suggested strong wage hikes could be the deciding factor on whether the BoJ hikes at next week's crucial meeting.
- **Hang Seng** and **Shanghai Comp.** were negative with heavy losses in tech and property sectors in Hong Kong where the Hang Seng Mainland Properties Index fell more than 3% after a steeper decline in Chinese New Home Prices, while the mainland was only marginally pressured after the PBoC kept its 1-year MLF rate unchanged and opted to not fully roll over the maturing amount.
- **US equity futures** (ES -0.1%) were lacklustre after recent hawkish inflation data and ahead of quad witching.
- **European equity futures** indicate a contained open with the Euro Stoxx 50 future -0.1% after the cash market closed down 0.2% on Thursday.

### FX

- **DXY** held on to the prior day's spoils with a firm footing above the 103.00 level after the hot PPI report.
- **EUR/USD** trickled lower after recently sliding amid dollar strength and the slew of ECB rhetoric.
- **GBP/USD** remained lacklustre after the gains in the dollar and weakness in cyclical peers.
- **USD/JPY** traded choppy amid tentativeness ahead of the RENG0 wage hike announcement.
- **Antipodeans** were subdued amid the negative risk tone and with little in the way of data to spur a rebound.

### FIXED INCOME

- **10-year UST futures** sat near the prior day's lows after slumping on the firmer-than-expected PPI data.
- **Bund futures** remained subdued after sliding beneath 132.00 despite the recent dovish-leaning ECB rhetoric.
- **10-year JGB futures** tracked the losses in peers as markets brace for next week's potential BoJ shift, while prices failed to benefit from the BoJ's presence in the market for JPY 1.35tn of JGBs.

### COMMODITIES

- **Crude futures** took a breather after the recent rally in oil and breakout to multi-month highs.
- **Spot gold** was rangebound for most of the session before ticking higher ahead of the European open alongside a pick-up in silver, which saw it reclaim USD 25/oz to the upside.
- **Copper futures** eventually extended on this week's advances with LME futures climbing above USD 9,000 per ton to the highest level since April last year.

### CRYPTO

- **Bitcoin** declined alongside the broad risk aversion which saw prices dip beneath the USD 68,000 level.

## NOTABLE ASIA-PAC HEADLINES

- **PBoC announced a CNY 387bln 1-year Medium-term Lending Facility operation vs. CNY 500bln maturing with the rate kept unchanged at 2.50%**, as expected.



- **Japanese Finance Minister Suzuki said they are seeing a strong pay hike move in wage talks and the government is to mobilise all policy steps available to continue the wave of wage hikes, while he added that Japan is no longer in deflation.**
- **A Reuters poll showed 35% of economists expect the BoJ to end negative rates in March and 62% expect April, while 31% of economists expect the BoJ to end YCC in March and 62% expect April.**

## DATA RECAP

- **Chinese House Prices YY (Feb) -1.4% (Prev. -0.7%)**

## GEOPOLITICS

### MIDDLE EAST

- **Hamas said it presented a comprehensive vision of truce deal to mediators based on stopping 'aggression' against Palestinians in Gaza, providing relief and aid to them, return of displaced Gazans, and withdrawal of occupation forces from the enclave, while it added that the vision presented to mediators includes a prisoners-hostages exchange file, according to Reuters.**
- **Israeli senior official said the number of prisoners demanded by Hamas is still too high but added they are in a place where more serious negotiations could begin and there is something to work with, while the Israeli PM's office said the new Hamas position in truce talks is still based on unfounded demands.**
- **At least 11 Palestinians were killed and 100 injured in Israeli forces targeting people waiting for humanitarian aid in Gaza, according to the Gaza health ministry cited by Reuters.**
- **Australia's Foreign Minister said Australia is to resume funding for UNRWA which is the UN's main Palestinian relief agency.**
- **US military said Houthis fired two anti-ship ballistic missiles from Yemen towards the Gulf of Aden and two towards the Red Sea although there were no injuries or damage reported to US or coalition ships, while the US military said it destroyed nine anti-ship missiles and two drones in Houthi-controlled areas of Yemen, according to Reuters.**
- **UKMTO received a report of an incident 76NM west of Yemen's Hodeida and announced a merchant vessel was struck by a missile and sustained some damage, although the crew were reported safe and the vessel is proceeding to its next port of call.**

### OTHER

- **EU Foreign Policy chief Borrell said many analysts expect a major Russian offensive this summer.**

## EU/UK

### NOTABLE HEADLINES

- **UK PM Sunak ruled out an early election on May 2nd and noted his working assumption is that the election would be held in H2.**
- **ECB's de Guindos sees Europe's economy picking up in H2 2024 and said they will have a sufficient level of information in June to make decisions on monetary policy.**

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