

Before the Open

August 6, 2024 at 8:55 AM EST



SP 500	
Price:	5,186.33
Change:	-160.23
	-3.00%

NASDAQ	
Price:	16,200.08
Change:	-576.08
	-3.43%

WTI CRUDE	
Price:	72.41
Change:	-0.53
	-0.73%

US 10-YR	
Price:	3.821%
Change:	+0.039
	0%

DXY	
Price:	103.11
Change:	0.42
	0.41%

Broad Market Summary

U.S. equity futures rebounded after Monday’s sharp sell-off, while European markets opened higher and Japanese stocks surged over 10%. The 10-year Treasury yield bounced back slightly after hitting a one-year low, and gold prices edged up as investors reassessed recession risks. The dollar strengthened against major currencies, while bitcoin recovered some losses as risk sentiment improved.

Macro Overview

Global markets bounced on Tuesday after a sharp sell-off driven by recession fears and yen carry trade unwinding. Japan led the recovery with its best day since 2008, stabilizing sentiment. Fed officials signaled likely rate cuts, with markets pricing in a 50 basis point reduction, despite weak job data raising growth concerns.

Equity Markets

U.S. futures pointed to a modest rebound after the SP 500 and Nasdaq dropped 3% and 3.4%. Palantir and Caterpillar rallied on strong earnings, while tech stocks like Nvidia and Apple bounced in after-hours trading.

European markets opened higher, with the Stoxx 600 up 0.74%, led by travel and tech stocks. FTSE 100, CAC 40, and DAX posted small gains.

In Asia, Japan’s Nikkei 225 surged 10.23% after a historic drop, while Kospi and Kosdaq in South Korea rose 3.3% and 6.02%. CSI 300 in China was flat, reflecting cautious sentiment.

Fixed Income Markets

U.S. Treasury yields rebounded slightly on Tuesday, with the 10-year yield rising to 3.824% after touching its lowest level since June 2023. The 2-year yield also increased, as investors digested the possibility of aggressive rate cuts by the Fed to counter slowing economic growth. The slight bounce in yields reflects a cautious optimism that the recent market turmoil may prompt more accommodative monetary policy.

Commodities and FX Markets

Gold prices edged higher, rising 0.15% to \$2,411.35 per ounce, as Fed officials hinted at significant rate cuts to combat recession risks. This followed a 3% drop in gold during Monday’s market sell-off, where margin calls likely forced some investors to liquidate gold positions to cover losses elsewhere.

The dollar strengthened against most major currencies, with the yen weakening for the first time this month as the market reassessed recent moves. The euro and pound also lost ground against the dollar, reflecting broader uncertainty and recalibration of interest rate expectations globally.

Equity	
DOW	\$38703.27
RUS2K	\$2039.16
FTSE	\$7958.66
NIKKEI	\$34675.46
HSI	\$16647.34
SHANGHAI	\$2867.28
DAX	\$17237.19
TSX	\$22227.60
Currencies	
CAD/USD	0.72
USD/JPY	144.46
EUR/USD	1.09
USD/GBP	0.79
USD/CHF	0.85
Energy Futures	
NAT GAS	\$1.95
RBOB	\$2.31
BRENT	\$75.71
Metal Futures	
GOLD	\$2433.10
SILVER	\$26.81
PLATINUM	\$915.80
COPPER	\$3.99
PALLADIUM	\$832.50
Agricultural Futures	
LUMBER	\$507.00
SOYBEAN	\$1045.00
COCOA	\$6614.00
WHEAT	\$534.25
US Treasury	
US 2-YR	3.932%
US 5-YR	3.668%
US 7-YR	3.721%
UK GILT	
UK 10-YR	3.874%
Bunds	
Bund 10-YR	2.148%
Policy Rates	
FED	5.50%
BOE	5.00%
BOC	4.50%
ECB	4.25%
BOJ	0.25%

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