







UPDATED TUE, SEP 13 2022 • 5:40 PM EDT









Dow tumbles 1,200 points for worst day since June 2020 after hot inflation report

Jesse Pound

Carmen Reinicke



Stocks fell sharply on Tuesday after a key <u>August inflation report</u> came in hotter than expected, hurting investor optimism for cooling prices and a less aggressive Federal Reserve.

The Dow Jones Industrial Average slid 1,276.37 points, or 3.94%, to close at 31,104.97. The S&P 500 dropped 4.32% to 3,932.69, and the Nasdaq Composite sank 5.16% to end the day at 11,633.57.















The drop erased nearly all of the recent rally for stocks, pulling the S&P 500 back toward its Sept. 6 close of 3,908 and causing some traders to glance back at mid-June, when the index fell below 3,700.

"I think we may even go back and retest the June lows," UBS director of floor operations Art Cashin said Tuesday on CNBC's "Squawk on the Street."

"Certainly the 3900 is just so tempting, and you're pulling back below the 50-day moving average here. It's very much about the technicals. It's not so much that the one number made the economy go topsy-turvy. It meant a lot of guys who were making preliminary favorable bets got caught off base," he said.

The August consumer price index report showed a higher-than-expected reading for inflation. Headline inflation rose 0.1% month over month, even with falling gas prices. Core inflation rose 0.6% month over month. On a year-over-year basis, inflation was 8.3%.

Economists surveyed by Dow Jones had been expecting a decline of 0.1% for overall inflation, with a rise of 0.3% for core inflation.

The report is one of the last the Fed will see ahead of their Sept. 20-21 meeting, where the central bank is expected to deliver its <u>third consecutive 0.75 percentage point interest rate</u> <u>hike</u> to tamp down inflation. The unexpectedly high August report could lead the Fed to continue its aggressive hikes longer than some investors anticipated.

The moves comes after four straight positive sessions for U.S. stocks, which were bolstered in part by the belief of many investors that inflation had already peaked.

"The CPI report was an unequivocal negative for equity markets. The hotter than expected report means we will get continued pressure from Fed policy via rate hikes," said Matt Peron, director of research at Janus Henderson Investors. "It also pushes back any 'Fed

















Lea la cobertura del mercado de hoy en español aquí.

16 HOURS AGO

Stocks will retest the June lows in the next couple of months, Dan Nathan says

Dan Nathan, principal of RiskReversal Advisors, told CNBC "I'm going to say this again and again during the market selloff, we're going to retest those market lows that we had in June over the next couple of months. There's no reason to buy any of these stocks on a day like today."

The S&P 500 closed more than 7% above its June 16 closing low on Tuesday.

— Scott Schnipper

16 HOURS AGO

These were the only S&P 500 stocks to rise on Tuesday

Just five stocks in the S&P 500 managed to close higher on Tuesday, and none of them gained even 1%

Corteva: up 0.87%

Twitter: up 0.80%

CF Industries: up 0.67%

Albemarle: up 0.38%

Mosaic: up 0.32%

— Jesse Pound

















Homebuilder stocks were crushed in Tuesday's market sell-off.

<u>Lennar</u> and <u>Taylor Morrison</u> led the way, with both closing down nearly 8%. <u>Pulte</u> and <u>KB</u> <u>Home</u> dropped around 7% each, while <u>Toll Brothers</u>, <u>D.R. Horton</u> and <u>NVR</u> all lost almost 6%.

HOMEBUILDER STOCKS

TICKER *	COMPANY ₹	NAME ‡	%CHANGE ‡	PREVIOUS CLOSE ‡
NVR	NVR Inc	NVR	-5.23	4066.02
DHI	D R Horton Inc	DHI	-6.54	69.22
TOL	Toll Brothers Inc	TOL	-6.15	43.06
<u>КВН</u>	KB Home	КВН	-7.03	27.79
<u>PHM</u>	Pultegroup Inc	PHM	-6.95	39.2
<u>TMHC</u>	Taylor Morrison Home Corp	ТМНС	-7.63	23.48
<u>LEN</u>	Lennar Corp	LEN	-7.91	74.23

With the housing market already in a <u>recession</u>, the possibility of higher mortgage rates weighed on investors as <u>inflation data</u> came in higher than expected. That cooled hopes of less aggressive rate hikes by the <u>Federal Reserve</u>.

- Michelle Fox

17 HOURS AGO

Oil settles lower, reversing earlier gains









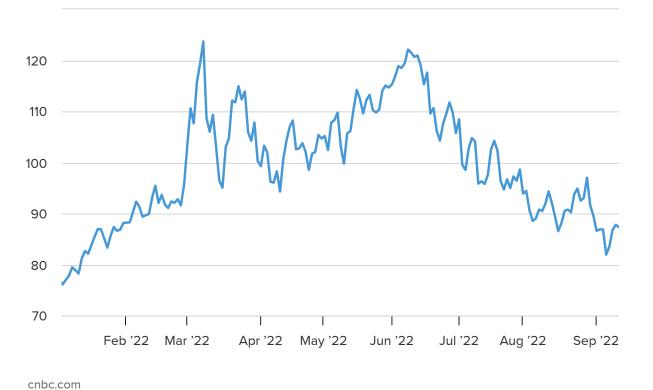


per barrel.

<u>U.S. natural gas</u>, however, advanced 0.42% to \$8.28 per million British thermal units. Lumber, meantime, hit its highest level since August 18.

Oil pulls back from March high





CNBC

— Pippa Stevens, Gina Francolla

17 HOURS AGO

Worst day of the year

The Dow's 3.94% and 1,276 point slide was its worst of the year:













The S&P 500's 4.32% crush was its worst drop of the year:

S&P 500'S WORST DAYS OF THE YEAR

DATE	Change %
9/13/2022	-4.32%
5/18/2022	-4.04%
6/13/2022	-3.88%
4/29/2022	-3.63%
5/5/2022	-3.57%

Tuesday's sell-off surpassed in magnitude the down days that occurred in May and June as the market tumbled to its low for the year in mid-June.

As it stands at Tuesday's close, the S&P 500 is 8% above its intraday low touched on June 17. The Dow is about 5% above its 2022 intraday low hit on the same day.

The intensity of Tuesday's plunge doesn't bode well for traders betting the ultimate bottom is in.

—John Melloy











tumbled the most since June 2020 following the hotter-than-expected inflation report.

Here were some of the notable movers:

- Charter Communications (CHTR) trading at lows not seen since March 2020
- Comcast (CMCSA) trading at lows not seen since April 2020
- Lumen Technologies (LUMN) trading at lows not seen since November 2020
- Meta Platforms (META) trading at lows not seen since April 2020
- Mohawk Industries (MHK) trading at lows not seen since November 2020
- Whirlpool (WHR) trading at lows not seen since July 2020
- Church & Dwight (CHD) trading at lows not seen since March 2021
- Intel Corporation (INTC) trading at lows not seen since February 2016
- NVIDIA (NVDA) trading at lows not seen since March 2021
- Qorvo (QRVO) trading lows not seen since April 2020
- Western Digital (WDC) trading at lows not seen since November 2020
- Dow Inc (DOW) trading at lows not seen since November 2020
- Eastman Chemical (EMN) trading at lows not seen since November 2020
- Sealed Air (SEE) trading at lows not seen since May 2021
- Welltower (WELL) trading at lows not seen since June 2021
- Weyerhaeuser (WY) trading at lows not seen since March 2021
- Cable One (CABO) trading at lows not seen since March 2020
- Avantor (AVTR) trading at lows not seen since November 2020
- Syneos (SYNH) trading at lows not seen since November 2020

Disclosure: Comeast is the parent company of NRCUniversal, which includes CNRC

















Albemarle hits record high amid market chaos

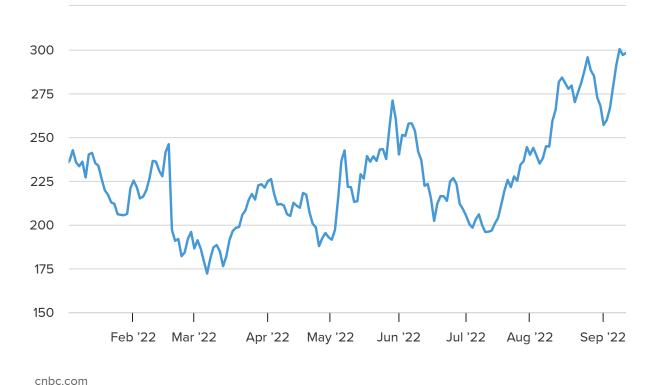
<u>Albemarle</u> surged to a record high Tuesday, despite the broad-based selling across the market. The lithium company has attracted interest from investors amid an expected boom in demand for electric vehicles.

Shares of Albemarle have gained more than 27% this year.

"We believe the supply/demand fundamentals support higher-for-longer lithium prices, which would be a positive long-term tailwind for ALB," RBC said in a Sept. 8 note to clients. The firm called Albemarle one of its best ideas for the long term.

Albemarle jumps to record high







— Pippa Stevens

















report spurred investors to dump riskier assets.

Bitcoin shed 9.66% on Tuesday, falling to \$20,249.8 per coin at 4:00 p.m. ET according to Coin Metrics. It is the lowest level for bitcoin since June 18. The fall reversed earlier gains that saw the digital coin jump to more than \$22,000 per coin.

Ether, the coin associated with Ethereum, also slumped 7.49% to \$1,596.82 by market close Tuesday for its worst day since Aug. 26. Cryptocurrencies are awaiting the "Merge," when the exchange will switch from a proof-of-work model to one that uses proof-of-stake.

Ripple and Litecoin also declined, falling 5.4% and 2.6%, respectively, according to Coin Metrics.

-Carmen Reinicke

17 HOURS AGO

Stocks suffer worst day since June 2020

A brutal final hour of selling resulted in the Dow, Nasdaq Composite and S&P 500 suffering their worst day since June 2020. The Nasdaq Composite was the worst performer, falling more than 5%.

— Jesse Pound

18 HOURS AGO

Wall Street on track for worst day of 2022

The three major averages are now on track for their worst day of 2022 as the market rout has deepened in the final hour. The Nasdaq Composite dropped more than 5%, the S&P















18 HOURS AGO

Shelter and wage growth take center stage, economist says

After Tuesday's hot inflation report, shelter and wages will be two key areas of focus for investors in the months ahead, according to Lauren Goodwin, economist and portfolio strategist at New York Life Investments.

Rising shelter costs were a major driver of inflation in August, and a tight labor market has led to concerns that wage growth may make it more difficult for the Fed to bring down inflation.

"Shelter and wage inflation together are such a leading indicator into how close we are to price pressures abating. They tend to be sticky. ... And that combo of just a standout shelter price inflation number and the wages we saw from the August jobs report is worrisome," Goodwin said.

Goodwin noted that, even though wage growth is nominally strong, it is not keeping up with headline inflation on an annual basis.

— Jesse Pound

18 HOURS AGO

Sell-off hits new milestones

The rout on Wall Street worsened in afternoon trading, with the Dow falling more than 1,000 points for its worst day since May. The Nasdaq Composite has dropped more than 4% as surging yields hit high-growth tech stocks.

— Jesse Pound









Some funds tracking other asset classes like Treasurys, currencies, and commodities are doing well on Tuesday despite another down day for equity markets.

Tuesday's steep market sell-off came amid another hot inflation reading for August which dimmed investors' expectation of easing inflation and a less hawkish Federal Reserve ahead.

CNBC Pro readers can read about some of the funds trading in positive territory and the potential factors <u>contributing to their strong performance here</u>.

— Samantha Subin

19 HOURS AGO

Twitter shareholders vote to approve Elon Musk's \$44 billion takeover bid, shares rise

Twitter shareholders voted in favor of Elon Musk's \$44 billion bid to snap up the social media company and take it private.

The vote arrives as the billionaire seeks to back out of the deal. Musk has called into question the number of fake accounts on the platform claiming that the number of these phony accounts is higher than what Twitter has disclosed. Meanwhile, the social media company has stuck to its calculation that less than 5% of monetizable daily active users are fake or spam.

Shares of Twitter jumped more than 2% on Tuesday afternoon.

— Darla Mercado, Lauren Feiner















That makes this one of the 10 worst days of the year, in terms of points lost. If the 30-stock closed at its session low of more than 900 points, it would end up as the sixth-worst day of the year.

BIGGEST DOW POINT DROPS IN 2022

DATE \$	POINT CHANGE \$	% CHANGE \$
18-MAY	-1,165	-3.57
5-MAY	-1,063	-3.12
26-AUG	-1,008	-3.03
22-APR	-981	-2.82
29-APR	-939	-2.77
10-JUN	-880	-2.73
13-JUN	-876	-2.79
13-SEP	-844	-2.61
26-APR	-809	-2.38
7-MAR	-797	-2.37

Source: FactSet

Dow points can sometimes be a misleading metric for comparing performance, but the 2.6% decline on Tuesday makes it one of the worst days of the year in percentage terms, as well.

-Jesse Pound



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5 THINGS TO KNOW THIS MORNING 🔌









are still signs that inflation is moderating, according to Brent Schutte, chief investment officer at Northwestern Mutual Wealth Management Company.

Schutte noted that the report is "backward" looking and that some areas where more current data shows a softening of prices, such as housing, that may take awhile to show up in CPI.

"It's certainly taking some time to filter into the data, and it is a show-me market. Is it a show-me Fed? I guess we'll see. I think it probably is," Schutte said.

He added that Friday's consumer sentiment report from the University of Michigan could take on increased importance now, as the Fed has said it is watching consumer inflation expectations.

"They certainly can't pause when inflation is still show high, but how much faster do they have to keep going?"

— Jesse Pound

20 HOURS AGO

Nomura economists now expect the Fed to raise rates by 100 basis points in September

Nomura economists now expect the Federal Reserve to raise interest rates by a full percentage point next week, after August's hotter-than-expected consumer inflation report.

The economists had previously expected a 75 basis point hike which is the consensus view of economists. A basis point equals 0.1 of a percentage point.

They announced the change after the August consumer price index came in up 0.1%,















Therefore, they expect the Fed to respond more forcefully.

"Beyond September, we continue to expect a 50bp hike in November, but now anticipate another 50bp hike in December, 25bp higher than our previous forecast. With our February 2023 expectation of a 25bp hike unchanged, our terminal rate forecast now stands at 4.50-4.75%, 50bp higher," they wrote.

-Patti Domm

21 HOURS AGO

CPI report shows inflation broadening throughout the economy

August's surprisingly hot consumer price index showed that <u>inflation is not just a gasoline</u> issue.

Inflation was broad last month, with shelter costs rising 0.7% for the month. New vehicle prices and medical care services increased 0.8% each.

And even as gas prices have declined, food prices continue to rise. The food at home index, a proxy for grocery prices, is up 13.5% over the past year.

"The core inflation numbers were hot across the board. The breadth of the strong price increases, from new vehicles to medical care services to rent growth, everything was up strongly," said Mark Zandi, chief economist at Moody's Analytics. "That was the most disconcerting aspect of the report."

— Jeff Cox, Jesse Pound

22 HOURS AGO

















Shares of First Solar ticked up about 0.45% amid the broad market declines. The stock hit its highest level since June 30, 2011.

First Solar has been on a hot streak recently and is up about 16% over the past month.

-Jesse Pound, Gina Francolla

22 HOURS AGO

Yields on the 3-month T-bill pop to highest level since 2008

The yield on the 3-month U.S. T-bill jumped to a high of 3.325% on Tuesday morning. It's the highest level since Jan. 2, 2008, when the 3-month yield climbed as high as 3.58%.

The spread between the 3-month yield and the 10-year Treasury also narrowed, reaching a low of 1.03 – and the lowest level since Aug. 30 when the spread was as low as 0.49. The spread between the 3-month and the 10-year rates are a key indicator that the New York Federal Reserve watches closely to measure the likelihood of a recession.

Bond yields across the board have jumped following the release of a hotter-than-expected consumer price index report for August. Investors are banking on tougher moves from the Fed to keep inflation in check.

—Darla Mercado, Gina Francolla

22 HOURS AGO

Only 30 stocks in the S&P 1500 are higher

Tuesday's sell-off was so broad that only about 30 stocks in the S&P 1500 index — which compiles the components in the S&P 500, S&P 400 Midcap and S&P 600 Small Cap —













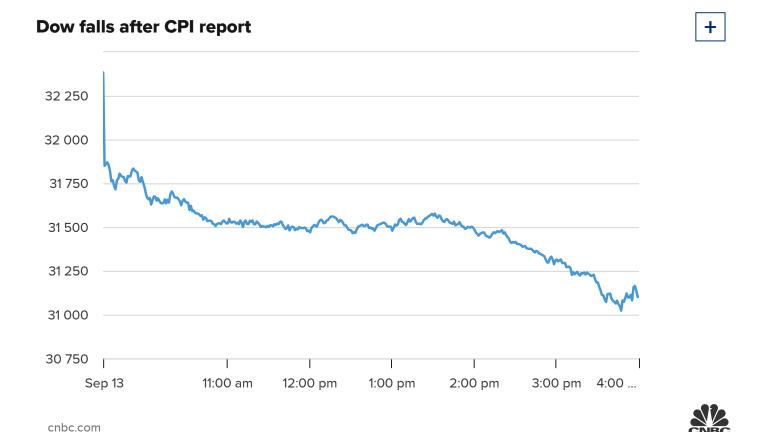
The overall index traded more than 2% lower on Tuesday.

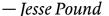
— Fred Imbert

22 HOURS AGO

Stocks continue to fall

The losses for stocks have steadily deepened since the market open, with the Dow now off more than 800 points and the S&P 500 down nearly 3%. Facebook-parent Meta has dropped more than 7% and is one of the worst performers in the S&P 500.

















The U.S. dollar strengthened against a basket of other currencies Tuesday after the August CPI report came in higher than expected, throwing cold water on hopes that inflation had already peaked.

The dollar index gained about 0.9% to 109.26. Both the pound and the euro fell against the dollar. The pound slipped 1.05% to \$1.155 and the euro fell 0.87% to \$1.003.

-Carmen Reinicke

23 HOURS AGO

Cloud computing ETF pares loss after tumbling more than 6.3% at the open

WisdomTree Cloud Computing ETF (WCLD) was recently down a little less than 4% after opening as much as 6.3% lower, at which point it was on pace for the worst day since June 13th.

Shortly after the open, the Cloud ETF was led lower by Braze (off more than 20% after Monday post-market earnings), and declines of 9% or more from BigCommerce, Fastly, Cloudflare and Toast.

— Scott Schnipper and Gina Francolla

23 HOURS AGO

Bitcoin tumbles with the broader market following CPI data, just after hitting a recent high

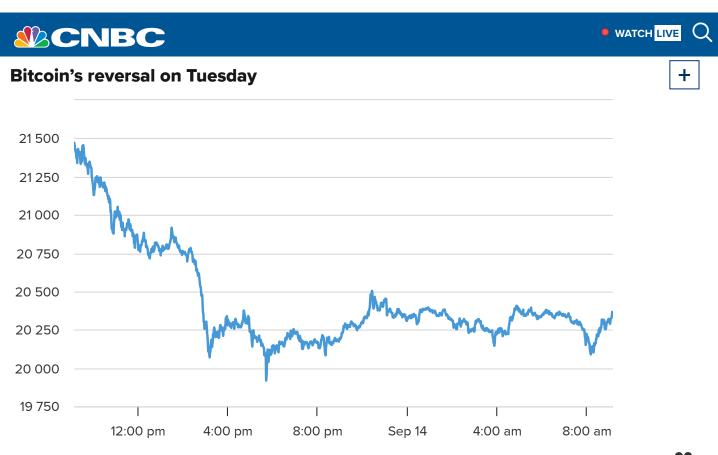
Bitcoin plunged with the broader market after CPI data released early Tuesday showed inflation rose more than expected in August.











Unlike other cryptocurrencies, bitcoin is highly correlated with stocks and its price movements are largely driven by macro data and events.

— Tanaya Macheel

cnbc.com

23 HOURS AGO

Long road to go until inflation is in check, strategist says

Investors are getting a rude awakening that high inflation could be here to stay after August's hot CPI report.

"Today's CPI reading is a stark reminder of the long road we have until inflation is back down to earth," said Mike Loewengart, head of model portfolio construction at Morgan









Х







"The market has been on a winning streak these last few days so it shouldn't be a surprise to see it take a breather as investors come to the realization that inflation may remain elevated for longer," Loewengart said.

— Yun Li

24 HOURS AGO

Stocks fall sharply at the open

Stocks tumbled at the open on Tuesday as investors reacted to the hot August inflation report.

The Dow opened down more than 500 points. The S&P 500 was down about 2%, and the Nasdaq Composite lost almost 3%.

— Jesse Pound

TUE, SEP 13 2022 • 9:09 AM EDT

Fed could now raise three-quarters of a point in November too, Nomura says

Next week's Federal Reserve policy meeting is bound to raise the fed funds lending rate at least three quarters of a percentage point (75 basis points), but there's even a remote, outside chance that the central bank hikes by a full percentage point next week, according to Nomura economist Rob Dent.

"In terms of the Fed, this feels like it absolutely locks in 75 for the September meeting but maybe increasing the risk for 100, though that's not the base case," Dent said. "People will have to consider that they could raise 75 basis points in November, given how strong















They both moved up," said Dent. "Right now I think the Fed is going to be looking at this with a lot of concern. This is no good news across this report."

- Patti Domm

TUE, SEP 13 2022 • 8:55 AM EDT

Market prices in bigger than 75 basis point rate hike for next week

Traders are betting that the August inflation report will force the Federal Reserve to be more aggressive in the near and longer terms with its rate hikes.

The Fed has widely been expected to hike by three quarters of a point, or 75 basis points next week. The hot CPI report now has some investors thinking a 1 percentage point hike is possible.

"Probably 75 (basis points) is the most likely play, but the market is pricing 79 basis points. So there's a shot at 1," said Michael Schumacher of Wells Fargo.

In the fed funds futures market, expectations for the terminal rate, or rate where the Fed is expected to stop hiking, also shot up.

"It exploded. It's 4.19 and it was at 3.99" before CPI, Schumacher said. That means traders are betting the Fed will take fed funds target to 4.19% by March. The fed funds rate range is currently 2.25 to 2.5%. The market had been trading on the view that if CPI showed moderation, the Fed might be able to pause its rate hiking early next year. The last CPI report was a surprise to the downside, and the jobs number was strong.

"This ends the whole fairy tale that the Fed would get three good reports in a row." Said Schumacher. "Too bad, Cinderella, it's after midnight."

- Patti Domm









After inflation unexpectedly rose in August and rates surged, technology shares were leading the way lower in premarket trading.

Shares of Amazon and Tesla fell 3% apiece in early trading. Microsoft and Alphabet shed 2% each. Nvidia lost 4%. Traders fear higher rates will slow the growth of the tech sector and expose their relatively high valuations, not to mention cause investors to shed risk.

Declines were broad in premarket trading with most stocks in the S&P 500 set to decline. Banks were down on fears the Federal Reserve will push the economy into a recession. Bank of America and JPMorgan each lost about 1.5%.

Energy shares declined on recession fears as well. Exxon and Chevron each fell about 1%.

-John Melloy

TUE, SEP 13 2022 • 8:45 AM EDT

Treasury yields soar after hot CPI report

U.S. Treasury yields jumped on Tuesday as investors bet that a hot inflation reading will keep the Federal Reserve aggressive in tightening monetary policy.

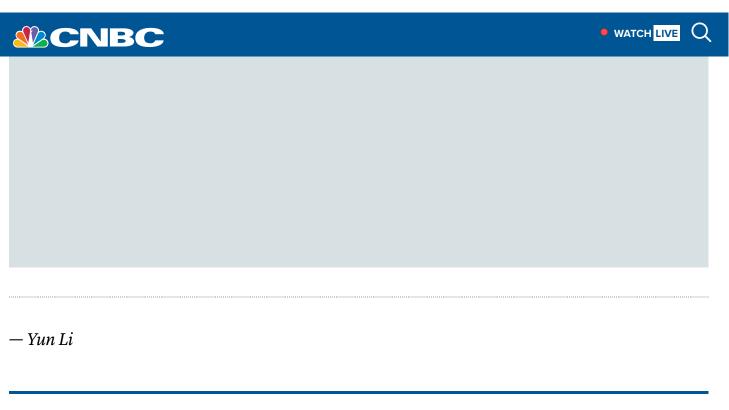
The yield on the benchmark <u>10-year Treasury note</u> surged 7 basis points, trading at 3.43%. The yield on the <u>30-year Treasury bond was</u> up about 4 basis points at 3.55%.

Meanwhile, the yield on the <u>two-year Treasury</u>, soared 14 basis points to 3.70%, hitting its highest level since November 2007. Yields move inversely to prices, and a basis point is equal to 0.01%.









• TUE, SEP 13 2022 • 8:37 AM EDT

Inflation rises 0.1% in August even after decline in gas prices

The consumer price index unexpectedly rose month over month in August even as gas prices eased, the Bureau of Labor Statistics reported.

The index gained 0.1% for the month and was up 8.3% year over year. Economists polled by Dow Jones expected a month-over-month decline of 0.1%.

Core CPI, which strips out volatile food and energy costs, rose 0.6% from July and 6.3% year over year.

- *Jeff Cox*

TUE, SEP 13 2022 • 8:37 AM EDT

Stock futures reverse, fall after inflation report











TUE, SEP 13 2022 • 8:04 AM EDT

Stocks face risks in the short-run as earnings estimates get hit, Bernstein says

Economic headwinds and investor pessimism presents downside risk for stocks, especially in Europe, according to Bernstein.

Strategists Sarah McCarthy and Mark Diver said in a note to clients on Tuesday that earnings estimates in Europe could be cut another 10% or more, putting pressure on equities.

"The European market is up 4% from the start of September, but down 13% year to date (in local currency terms). We expect further downside in the short run as in our view a) the earnings downgrade cycle has further to run and b) we expect more outflows from equity funds. Sentiment measures are not pessimistic enough yet to take a bullish stance on positive short-term returns," the note said.

Europe isn't the only area showing weakness. The Bernstein note also said that global equity funds have seen three straight weeks of outflows.

- Jesse Pound, Michael Bloom

TUE, SEP 13 2022 • 7:48 AM EDT

Treasury yields slide ahead of CPI

U.S. Treasury yields <u>were in retreat on Tuesday morning</u> less than an hour before the release of a key inflation report.

The yield on the henchmark 10-year Treasury note and the 2-year Treasury were lower by

















Treasury yields have moved higher in September as Federal Reserve officials have pledged to continue their fight against inflation even if it causes short-term damage to the economy.

— Jesse Pound

TUE, SEP 13 2022 • 7:12 AM EDT

Steer clear of Rent the Runway, Credit Suisse says

Credit Suisse downgraded shares of Rent the Runway to neutral from outperform, citing concerns over the company's active subscriber growth.

"The significant deterioration in Active Customer trends in the quarter (QoQ active sub growth slowed to -8% in 2Q vs Street +7%, decelerating from +17% in 1Q) suggest that RENT is more susceptible to macro pressure on the aspirational consumer than we expected," analyst Michael Binetti wrote in a note.

Rent the Runway shares fell more than 22% in the premarket after the company announced it was laying off 24% of its corporate workforce.

-Sarah Min

Correction: Credit Suisse downgraded Rent the Runway. A previous headline misstated the bank's name.

TUE, SEP 13 2022 · 7:05 AM EDT

Dollar falls for fifth day in a row

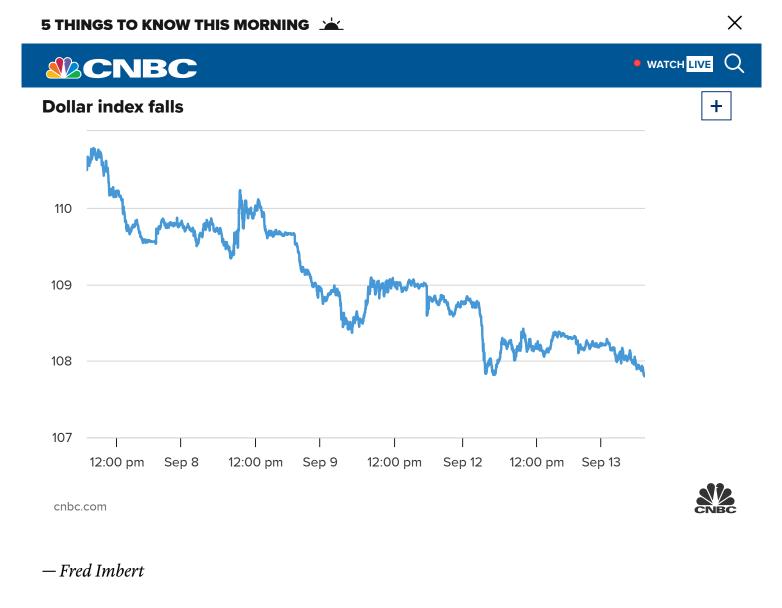
The dollar index, which tracks the U.S. currency's performance against six others, fell for a

fifth straight day notentially giving stocks a boost. Many large U.S. companies get a big









TUE, SEP 13 2022 • 6:21 AM EDT

Chinese EV maker BYD can rally nearly 40%

BYD, a Chinese electric vehicle maker, could make big gains going forward, according to Barclays.

"BYD (Build Your Dream) became the #1 global EV maker in terms of deliveries in 2Q22, dethroning Tesla from that pedestal for the first time, and its triple-digit revenue growth rate is likely to continue for the rest of 2022, despite its already sizable base," analyst Jiong Shao wrote in a Tuesday note.









TUE, SEP 13 2022 • 3:34 AM EDT

UK unemployment hits 48-year low while real wages fall sharply

U.K. unemployment fell to 3.6% in the three months to July, its lowest since 1974.

The economic inactivity rate, meanwhile, rose by 0.4 percentage points to a five-year high of 21.7%.

The Office for National Statistics attributed the change to a rise in long-term sickness designations and students leaving the jobs market. The increasing tightness of the labor market may fuel further inflationary pressure and cause headaches for the Bank of England.

Annual growth in real wages — taking into account inflation — excluding bonuses fell by 2.8% in the three months to the end of July.

"People will understandably be looking to their employers for help during the cost of living crisis while Andrew Bailey will be hoping that businesses don't up salaries too high too quickly and compound inflation," said Marcus Brookes, chief investment officer at Quilter Investors.

"However, the U.K. must brace for discontent amongst the public sector with strikes over pay continuing as budgets are stretched."

- Elliot Smith

TUE, SEP 13 2022 • 3:16 AM EDT















UBS shares were indicated 1.2% higher in pre-market activity after what ZKB analyst Michael Klien called surprise news.

Read more here.

— Reuters

TUE, SEP 13 2022 • 3:08 AM EDT

European stocks rise slightly

European stocks were cautiously higher on Tuesday morning as global markets geared up for the latest reading of U.S. inflation.

The pan-European Stoxx 600 was up 0.3% in early trade, with food and beverage stocks adding 0.8% to lead gains as most sectors and major bourses inched into positive territory. Retail stocks slid 0.4%.













MON, SEP 12 2022 · 8:44 PM EDT

CNBC Pro: Want to invest in real estate? These REITs are among analysts' favorites

Real estate investment trusts — or REITs — are coming back to the spotlight after a volatile year for many asset classes.

Analysts from Morgan Stanley and Citi highlight REITs from two sectors that they say could outperform the wider market, and remain resilient in a recession.

CNBC Pro subscribers can read more here.

- Weizhen Tan

MON, SEP 12 2022 • 6:58 PM EDT

Fed actions this month could be 'nonevent' for asset prices, Ameriprise says

The upcoming September Federal Reserve meeting, where the central bank is expected to raise interest rates, is likely already priced into the market, according to Ameriprise chief market strategist Anthony Saglimbene.

"In our view, central bank actions this month are likely a nonevent for asset prices," he wrote in a Monday note. "However, incoming economic data over the coming weeks and months and its influence on policy actions next year could play a much more significant role in shaping stock direction over the intermediate term."

Markets now expect the Fed to hike rates by 0.75 percentage point, meaning that assets may not move much if that is the central bank's decision. A consumer price index report Tuesday that's in-line with expectations may also not move the needle."

"Unless inflation figures last month changed substantially more than expected, including















MON, SEP 12 2022 · 6:21 PM EDT

Relief rally is likely bear market bounce, Wells Fargo says

The recent relief rally in stocks is likely another bear market bounce and investors should position for more choppiness ahead, according to Wells Fargo.

"Year-do-date, the outperformance of defensive, high shareholder payout, high-quality and low-valuation stocks reminds investors of the hallmark of a bear market," global portfolio and investment strategist Chao Ma wrote in a Monday note.

Such recoveries happen in nearly every bear market and many are quickly reversed, leaving investors with regrets, they added.

"Although it is difficult to predict the bottom of a bear market, in the past, market bottoms were typically preconditioned by over-pessimistic market sentiment and a sign of definitive improvement in the underlying economic or market issue," Ma said. "We believe we are not there yet in either regard."

In the meantime, Ma recommends investors look for defensive stocks with low volatility, high dividends and share repurchase yields. He also says investors should go for high quality names with profitability and leading market share and affordable market price.

-Carmen Reinicke

MON, SEP 12 2022 • 6:09 PM EDT

U.S. stock futures rise ahead of Tuesday CPI report

U.S. stock futures were higher Monday night as Wall Street looks ahead to the August consumer price index report set to be released Tuesday morning. The report will give

















-Carmen Reinicke

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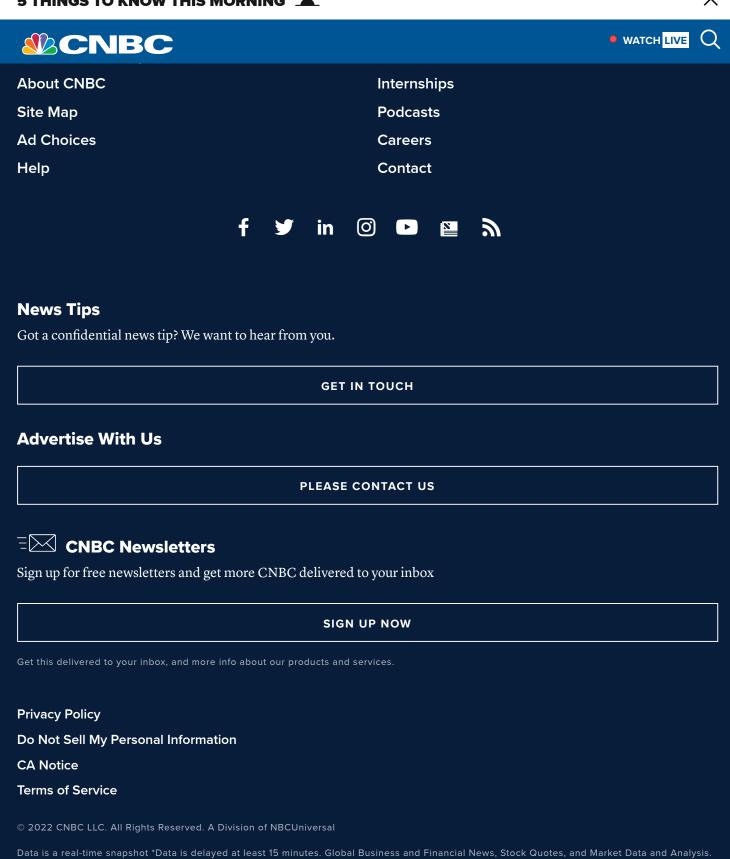
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