

InvestorCoffee (07.12.2024): Futures are showing signs of optimism

written by Tracy Hughes | July 12, 2024

As the global financial markets gear up for another busy week, futures are showing signs of optimism. Oil prices are on the rise, providing a positive backdrop for S&P 500 and Nasdaq futures, which remained relatively stable. European shares have also advanced, marking a second consecutive week of gains driven by upbeat earnings updates. In contrast, Japan's Nikkei took a significant hit, dropping over 2% as tech stocks mirrored their U.S. counterparts' downward trend and currency intervention concerns prompted profit-taking ahead of a long weekend.

In currency markets, the yen stabilized after a rapid strengthening on Thursday. Bank of Japan data indicates a significant intervention in the forex market, potentially spending up to 3.57 trillion yen to lift the yen from 38-year lows. Meanwhile, the U.S. dollar saw a slight decline against major peers, and gold prices fell from a recent seven-week high.

World Markets at a Glance

Euro STOXX 50 futures were slightly down, while FTSE futures added 13 points, and German DAX futures saw a modest increase. The Nikkei share average plunged due to tech stock selloffs and currency intervention concerns. Oil prices edged up, reflecting easing inflationary pressures in the U.S., though they are headed for a weekly decline.

Here's a snapshot of key market indicators:

- **S&P 500 Index Mini Futures:** 5,640.25, up 0.01%
- **DJIA Mini Futures:** 40,115.00, up 0.06%
- **Nikkei:** 41,272.76, down 2.25%
- **MSCI Asia, Ex-JP:** 584.96, down 0.24%
- **EUR/USD:** \$1.0870, up 0.03%
- **GBP/USD:** \$1.2910, down 0.01%
- **USD/JPY:** 159.13 yen, up 0.19%
- **Spot Gold:** \$2,408.32, down 0.27%
- **U.S. Crude:** \$82.91, up 0.35%
- **Brent Crude:** \$85.58, up 0.21%
- **10-Yr U.S. Treasury Yield:** 4.2216%, up 0.029 point
- **10-Yr Bund Yield:** 2.4850%, up 0.015 point

U.S. Market Dynamics

Thursday was an unusual day for the U.S. stock market, with Big Tech stocks dragging down the S&P 500 and Nasdaq Composite. The S&P 500 fell 0.88%, and the Nasdaq Composite sank 1.95%, while the Dow Jones Industrial Average remained nearly flat. The “Magnificent Seven” stocks all saw declines, with Nvidia and Apple experiencing significant drops. Interestingly, smaller stocks outperformed, as evidenced by the Russell 2000 index’s 3% jump.

European and Asian Market Highlights

Ukraine’s call for NATO allies to lift restrictions on long-range weapons use against Russia could be a significant development in its conflict with Moscow. Simultaneously, China criticized NATO’s stance on its support for Russia, highlighting geopolitical tensions.

In corporate news, Axel Springer and KKR are reportedly discussing breaking up the media conglomerate, potentially

reshaping the industry landscape. Rio Tinto received favorable news from a Serbian court, overturning a previous decision that blocked its lithium mine development. Meanwhile, Vivendi is exploring a spin-off and potential London listing for its Canal+ TV unit, boosting its shares.

U.S. Treasuries have erased their declines for the year as cooling inflation prompts traders to bet on Federal Reserve rate cuts. Novo Nordisk's Ozempic continues to show promising results beyond diabetes control, linking it to lower rates of dementia in a recent Oxford study.

Upcoming InvestorTalk Events

Don't miss the InvestorTalk sessions scheduled for next week from 9-920 AM EST:

- **Tuesday, July 16, 2024:** Edward Gosselin from Kobo Resources Inc. (TSXV: KRI) – [click here](#)
- **Wednesday, July 17, 2024:** Dennis Higgs from Austin Gold Corp. (NYSE American: AUST) – [click here](#)
- **Thursday, July 18, 2024:** Donald Swartz from American Rare Earths Limited (ASX: ARR | OTCQX: AMRRY) – [click here](#)

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