

Investor.Coffee (09.16.2024) : Federal Reserve Decision Looms Amid Cautious Markets

written by Tracy Hughes | September 16, 2024

Good morning, and welcome to Investor.Coffee, your daily market insights. Let's dive into this week's highlights.

The major story this morning centers around the Federal Reserve's [upcoming](#) policy decision on Wednesday, which has investors and markets on edge. While it is widely expected that the central bank will implement another interest rate cut, the size and potential impact of the cut remain in question. There is concern that an outsized move could indicate the Fed sees the U.S. economy cooling more rapidly than previously anticipated.

This decision comes at a critical juncture, as U.S. inflation has begun to slow, and job growth has decelerated. Traders are currently pricing in a 59% chance of a 0.5 percentage point cut, which would mark a significant step in easing policy. However, any signal that the economy is weakening faster than forecasted could create more volatility across financial markets.

Globally, other central banks are also preparing for key announcements this week. The Bank of England and Bank of Japan are both set to reveal their policy decisions, which could further influence market sentiment. Oil and gold prices have reacted to the uncertainty, with gold continuing its upward climb to record highs, while oil prices remain mixed in the aftermath of Hurricane Francine's impact on Gulf of Mexico production.

Stay tuned for the Federal Reserve's announcement, as its

decision is likely to set the tone for markets in the coming weeks.

Pre-Market Overview

U.S. stock index futures are showing a cautious upward movement as traders await the Federal Reserve's policy decision on Wednesday. Markets anticipate a rate cut, but there's concern that a larger-than-expected reduction might signal a faster economic slowdown. European shares are quiet at the beginning of a busy week, while Asian markets had mixed performance due to thin trading activity, with major markets like China, Japan, and South Korea closed for holidays.

In commodities, oil prices edged higher, supported by production outages in the Gulf of Mexico following Hurricane Francine, while gold reached record highs amid market uncertainty. The Canadian dollar stayed relatively stable against the U.S. dollar, and the yen surged to its highest point in over a year.

As for economic indicators, Canadian consumers are feeling the pressure despite interest rate cuts, leading Bank of Canada Governor Tiff Macklem to consider further monetary easing. Manufacturing data from Canada is expected later today, which may influence the Bank's decisions in the coming weeks.

Economic Data to Watch:

- 8:30 AM EDT: Manufacturing Sales for July (Expected: 1.1%; Prior: -2.1%)

World Market Highlights

- Euro STOXX 50 Futures: +10 points
- FTSE Futures: +9.5 points

- S&P 500 Index Mini Futures: +0.06%
- Gold: \$2,585.63 (+0.35%)
- Brent Crude: \$71.58 (-0.04%)

In Focus: Key U.S. Companies

Pfizer's (NYSE: PFE) positive [results](#) for a new treatment targeting cancer cachexia could make a significant impact in the pharmaceutical market, while Alcoa (NYSE: AA) [announced](#) a major \$1.1 billion stake sale in its Ma'aden joint venture, a move expected to finalize in 2025. Boeing (NYSE: BA) workers on the West Coast continue their strike, seeking higher wages and pension benefits. Meanwhile, Exxon Mobil (NYSE: XOM) is facing [protests](#) in France over the planned closure of facilities, which could result in significant job losses.

Upcoming InvestorTalk Events for This Week

Join us for a series of insightful discussions with industry leaders. These are perfect opportunities to gain market insights and connect with CEOs driving their companies forward.

Tuesday, September 17, 2024 | 9:00-9:20 AM EST

InvestorTalk with Terry Lynch from Power Nickel Inc. (TSXV: PNPB | OTCQB: PPNF)

[Join Zoom Meeting](#)

Wednesday, September 18, 2024 | 9:00-9:20 AM EST

InvestorTalk with Geoff Benic from Safety Strips

[Join Zoom Meeting](#)

Thursday, September 19, 2024 | 9:00-9:20 AM EST

InvestorTalk with Nick Holthouse from Meteoric Resources NL (ASX: MEI)

[Join Zoom Meeting](#)

As always, these pre-market events offer a chance to engage directly with executives, providing an opportunity to ask questions and understand their vision firsthand. Don't miss out. That's it for today's Investor.Coffee. Keep an eye on the markets and make sure to join us for this week's InvestorTalk events.

Publisher's Note: Tracy Hughes uses a variety of sources for her daily market update series called "InvestorCoffee." This series is intended to be a brief summary of daily market highlights that the InvestorNews team finds interesting. This summary is meant to inspire research, investigation, and due diligence, and we encourage you to always seek licensed professional advice with any investment decision. While Tracy is a professional writer, she is not a licensed investment advisor. And yes, Tracy uses ChatGPT and other technology devices to help distill information and prioritize business data – while sipping her daily coffee! For more information email us at info@investornews.com.
