

Investor.Coffee (09.19.2024) : Canadian Futures Surge on Metal and Oil Gains After Fed's 50-Basis-Point Rate Cut, Boosting U.S. Markets

written by Tracy Hughes | September 19, 2024

Good morning, investors! Here's what's brewing in the markets today:

Canada Pre-Market

Canadian futures are up as metal and oil prices rise, following a 50-basis-point [rate cut](#) by the Federal Reserve. This move has markets buzzing, with U.S. stock index futures also climbing, especially the Nasdaq, which is seeing almost a 2% increase. Expect a lot of action in resource-heavy sectors today as investors respond to these interest rate moves.

Also, big news on the carbon tax front—some analysts [suggest](#) Canada could hit its 2030 emissions target *without* a consumer carbon tax. That could shake up policy discussions in the coming weeks. Let's keep an eye on that debate, especially with rising political pressure on the current government.

World Markets

European stocks are getting a lift today, with Euro STOXX 50 futures up by 57 points. Oil prices have been moving in tight ranges, while bond yields edge higher as investors assess the Fed's rate cut and its implications. The Fed hinted at more easing down the road, but it's clear the market is still

figuring out what all this means for inflation and growth.

Here's where the numbers stand

- **S&P 500 Futures** (NYSE: SPX): Up 0.99%, looking strong for a positive day.
- **Dow Jones Futures** (NYSE: DJIA): Up 0.62%.
- **Nikkei** (TSE: N225): Closed up 2.54%, its best two-week performance—Japan's exporters are loving that softer yen.

Commodities Snapshot

- **Gold**: \$2,562.42/oz, up 0.14%—investors turning to safe havens as volatility lingers.
- **U.S. Crude** (NYMEX: CL): \$70.83/barrel, down 0.11%.
- **Copper** (COMEX: HG): Up 1.44%, continuing its steady climb amid supply concerns.

U.S. Market Recap

The Fed's 50-bps cut was the first in over a decade, and while initially celebrated, markets cooled off as investors digested the news. The Dow closed down by 103 points, erasing earlier gains. The Fed's message is clear: they're easing, but with caution.

Stock Watch

- **Alibaba Group Holding Ltd** (NYSE: BABA) just [launched](#) some seriously impressive AI tools, stepping up its game in generative AI with models capable of everything from math to multilingual support.
- **Chesapeake Energy Corp** (NASDAQ: CHK): Keep an eye on this one—its \$7B [acquisition](#) of **Southwestern Energy Co** (NYSE:

SWN) is set to close early Q4. This could reshape the natural gas market significantly.

- **Boeing Co** (NYSE: BA): They're back in business with China, securing a 50-plane order for the 737 MAX. A much-needed win for Boeing after the turbulent few years they've had.

Economic Data to Watch

- **Initial Jobless Claims** (8:30 AM EST): Expected to stay at 230,000, keeping an eye on labor market strength.
- **Existing Home Sales** (10 AM EST): Analysts are predicting a slight dip to 3.9 million, reflecting the broader slowdown in real estate.

Let's keep a sharp eye on the markets today, and don't forget to grab that extra shot of espresso—it's going to be an active one!

Happy trading! ☕

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.

