Investor.Coffee (10.29.2024): All Eyes On the British Budget Announcement and US Technology Critical Earnings Reports

written by Tracy Hughes | October 29, 2024

North American markets are set for a day of heightened anticipation, with U.S. stock index futures holding steady ahead of critical earnings reports from technology giants Alphabet Inc. (NASDAQ: GOOGL) and Advanced Micro Devices, Inc. (NASDAQ: AMD) later today. Canadian futures, meanwhile, are bolstered by rising crude and gold prices, reflecting ongoing optimism in the commodities sector. Across Europe, markets are showing slight gains, buoyed by positive earnings from HSBC Holdings PLC (LSE: HSBA), but mixed performances in other sectors are limiting further advances.

In the UK, all eyes are on the British budget announcement, with investors closely monitoring how Chancellor Jeremy Hunt plans to address inflation, taxation, and economic stagnation. Key reforms are expected to impact the UK's long-term economic trajectory. Meanwhile, Asia's markets ended mixed, as Chinese stocks slumped under pressure from energy and property shares, while Japan's Nikkei enjoyed a second day of gains as post-election uncertainty eased.

Global Market Perspective

Global markets are navigating through a week of heavy economic data and corporate earnings reports. In the UK, the upcoming British budget is at the forefront of market focus, with

anticipated policy changes expected to address inflationary pressures, fiscal tightening, and potential tax reforms. These measures are likely to reverberate through both equity and currency markets, particularly impacting the strength of the pound and influencing key sectors such as real estate and manufacturing.

In Asia, volatility continues, with tech megacap earnings reports driving market sentiment. The upcoming earnings from Alphabet Inc. (NASDAQ: GOOGL) later today will set the tone for technology sector performance globally. China's energy and property sectors weighed heavily on its stock market performance, while Japan's Nikkei saw a rise as investors returned following last week's election-related concerns.

Oil prices were relatively stable, recovering from the previous session's losses as a U.S. plan to bolster the Strategic Petroleum Reserve (SPR) provided some support. However, concerns over future demand growth amid slower global economic activity continue to keep a lid on prices.

Key Global Market Indicators

- S&P 500 Index Mini Futures: 5,856.50 (-0.09%)
- DJIA Mini Futures: 42,549 (-0.13%)
- Nikkei: 38,863.15 (+0.67%)
- MSCI Asia Ex-JP: 597.57 (-0.36%)
- EUR/USD: $1.0812 (-0.01%)
- GBP/USD: $1.2964 (-0.07%)
- USD/JPY: 152.78 (-0.34%)
- Spot Gold: $2,752.54 (+0.39%)
- U.S. Crude: $67.44 (+0.09%)
- Brent Crude: $71.48 (+0.08%)
- 10-Year U.S. Treasury Yield: 4.2701% (-0.008)

Notable Company Highlights:

Acerinox SA (BME: ACX) – October 29, 2024
Acerinox reported a significant 32% decline in net profit for Q3, reaching €48 million, as a result of weak stainless steel demand across Europe and North America. Revenue dropped by 16% to €1.31 billion during the quarter. Despite a 21% increase in output following the resumption of operations at the company's Cadiz steel mill in southern Spain after a five-month strike, Acerinox faced ongoing challenges. The company attributed its profit decline to softening demand in its core markets and continued global economic uncertainties, with a bleak outlook projected for the remainder of the year.

Adidas AG (FRA: ADS) – October 29, 2024
Adidas saw robust growth in its Greater China market in Q3, with currency-neutral sales rising 9% to $1 billion. This marks Adidas' strongest quarterly performance in China since early 2022. North American sales, excluding Yeezy-branded products, also grew year-over-year, driven by an improved brand image. Adidas continues to benefit from increasing consumer demand in China and remains optimistic about maintaining its growth trajectory in the region.

Advanced Micro Devices, Inc. (NASDAQ: AMD)
AMD is set to report its Q3 earnings today, with expectations centered around its AI-driven products and semiconductor business. Investors are keen to see how AMD's results will stack up against broader sector performance, especially given the ongoing global chip demand.

Alphabet Inc. (NASDAQ: GOOGL)
Alphabet's Q3 earnings are also anticipated later today, with a particular focus on Google Cloud, which has become a significant growth driver for the company. Alphabet's results will provide

insights into the broader health of the technology sector amidst concerns over slowing ad revenues.

Banco Santander SA (BME: SAN) – October 29, 2024
Banco Santander delivered record Q3 results, posting a 12% year-on-year increase in net profit, amounting to €3.5 billion. The positive performance was driven by the bank's retail business and strict cost controls. The group exceeded analyst expectations of €3.1 billion, despite challenges such as a British court ruling affecting motor finance brokers. The bank's strong quarterly performance reaffirms its strategic focus on growth while managing costs effectively.

American Rare Earths Limited (ASX: ARR | OTCQX: ARRNF) – October 29, 2024
American Rare Earths reported substantial advancements in its Quarterly Activities Report for the period ending September 30, 2024. Key accomplishments include the successful completion of a 2,616-meter drilling campaign at the Cowboy State Mine, which confirmed high-grade rare earth mineralization and potential for resource expansion. The company also secured a non-binding Letter of Interest from EXIM Bank for up to $456 million, aimed at supporting the development of this project.

Australian Strategic Materials Ltd. (ASX: ASM) – October 29, 2024
Australian Strategic Materials (ASM) has made significant progress in its Dubbo Project, highlighted in its Quarterly Activities Report to September 30, 2024. The company was awarded A$5 million by the Australian Federal Government to support rare earth production, focusing on reducing capital costs and speeding up implementation. Additionally, ASM is negotiating debt financing packages with the Export-Import Bank of the United States and Export Development Canada.

BP PLC (LSE: BP) – October 29, 2024

BP reported a 30% drop in its Q3 profit, with net income falling to $2.3 billion, its lowest in nearly four years. The energy giant attributed this decline to weaker refining margins and lackluster oil trading results. BP's underlying replacement cost profit, which the company uses to define net income, reached $2.27 billion, exceeding analyst estimates of $2.05 billion. Despite surpassing expectations, BP's profit was down from $2.8 billion in Q2 and $3.3 billion in Q3 2023, highlighting the challenges in the energy market.

F3 Uranium Corp. (TSXV: FUU) – October 29, 2024

F3 Uranium has reported promising assay results from its 2024 drilling program at the PLN Property, highlighting significant uranium findings including a 10.5m stretch at 2.66% U3O8 with a peak 2.0m interval at 12.0% U3O8 at the JR Zone. Furthermore, the exploration drilling has led to the discovery of the southern extension of the A1 shear zone, about 3.2km south of the JR Zone, indicating a notable expansion of the mineralization area.

F5 Inc. (NASDAQ: FFIV) – October 28, 2024

F5 beat Wall Street estimates in its Q4 earnings report, driven by a 19% increase in software revenue. The company also forecasted strong Q1 revenue, which boosted its stock 10% in after-hours trading.

Ford Motor Co. (NYSE: F) – October 28, 2024

Yesterday, Ford announced a revision to its full-year profit forecast, lowering its guidance to the bottom end of its $10 billion to $12 billion range. The automaker cited intensifying competition in the electric vehicle market as the primary driver for the forecast cut, which sent shares down 5% after-hours.

HSBC Holdings PLC (LSE: HSBA) – October 29, 2024

HSBC outperformed expectations in Q3, reporting a 10% rise in profits to $8.5 billion. The increase was driven by strength in wealth and wholesale banking revenues, alongside a slower-than-expected reduction in lending margins due to rate cuts. While HSBC's results surpassed analyst estimates of $7.6 billion, investors are awaiting further details on the bank's structural overhaul and how it plans to achieve significant cost savings in the near future.

Lithium Americas Corp. (NYSE: LAC) – October 28, 2024
The U.S. Department of Energy finalized a $2.26 billion loan to Lithium Americas on Monday to develop its Thacker Pass lithium mine in Nevada. This project marks one of the largest mining investments in recent U.S. history and is a significant step in reducing dependence on Chinese lithium supplies. The approval is part of a broader initiative to secure critical minerals for the electric vehicle industry.

McDonald's Corp. (NYSE: MCD) – October 29, 2024
McDonald's posted a steeper-than-expected decline in Q3 global comparable sales, falling 1.5%. U.S. sales saw a slight 0.3% increase, thanks in part to the extension of its $5 meal deal, but international markets, particularly France and the UK, weighed on overall performance.

NEO Battery Materials Ltd. (TSXV: NBM) – October 29, 2024
NEO Battery Materials has signed a letter of intent with an undisclosed Canadian municipality to lease around 8 acres of land for a new silicon anode manufacturing facility. This facility, aiming to produce 5,000 tons of silicon anode materials annually, supports NEO's strategy to expand in the North American battery and EV market with cost-effective production. The lease includes tax incentives and favorable terms, aligning with both NEO's commercial goals and the municipality's economic development objectives.

NEO Battery Materials Ltd. (TSXV: NBM) – October 28, 2024
NEO Battery Materials Ltd. has successfully completed a non-brokered private placement, raising $800,000 CAD through the sale of 2,000,000 units at $0.40 CAD each. Each unit includes one common share and a half warrant, with each full warrant allowing the purchase of another share at $0.75 CAD within 24 months. The proceeds from this offering will support R&D for NEO's silicon anode technology and general corporate expenses, with no finders' fees paid and the shares subject to a standard four-month hold period.

Neo Performance Materials Inc. (TSX: NEO) – October 28, 2024
Neo Performance Materials Inc. will release its third-quarter earnings for 2024 on November 14, before market opening in Toronto. The company will host a teleconference call the same day at 10:00 a.m. Eastern Time to discuss the results. Interested parties can join the call through a provided teleconference link or webcast. A recording of the call will be available until December 14, 2024.

Pfizer Inc. (NYSE: PFE) – October 29, 2024
Pfizer raised its full-year profit forecast after better-than-expected sales of its COVID-19 treatment. The drugmaker now expects earnings in the range of $2.75 to $2.95 per share, up from the previous $2.45 to $2.65 estimate.

Power Nickel Inc. (TSXV: PNPN | OTCQB: PNPNF) – October 28, 2024
Power Nickel has announced their most significant drilling results to date from their summer 2024 campaign at the Lion Zone, where Hole 71 intersected 39.6 metres at 4.19% CuEq, including high concentrations of gold, silver, copper, palladium, platinum, and nickel. These results highlight the potential of the Lion Zone to significantly contribute to the company's resource model as drilling continues. CEO Terry Lynch expressed excitement over the promising results, indicating a

robust fall and winter drilling schedule aimed at expanding the discovery.

SBA Communications Corp. (NASDAQ: SBAC) – October 28, 2024
SBA Communications raised its annual forecast for adjusted funds from operations, citing strong demand for wireless carrier infrastructure driven by the expansion of 5G networks.

Welltower Inc. (NYSE: WELL) – October 28, 2024
Welltower raised its 2024 funds from operations guidance on the back of strong demand for its senior housing and assisted living properties. The REIT posted a 20.7% increase in normalized FFO year-over-year.

Publication Schedule: Investor.Coffee is published Monday through Thursday, delivering in-depth market insights and global coverage to a wide-reaching audience.

Publisher's Note: Tracy Hughes uses a variety of sources for her daily market update series called **Investor.Coffee**. This series is intended to be a brief summary of daily market highlights that the **Investor.News** 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 info@investornews.com.