

Investor.Coffee (11.04.2024): Crude Gains and Election Uncertainty Fuels Market Caution

written by Stephen Lautens | November 4, 2024

Good Morning, **Investor.Coffee** Drinkers!

North American markets are showing a cautiously optimistic start this week, with U.S. futures trending higher as crude prices [climb](#), setting the stage for heightened market activity. Investors are closely watching Tuesday's U.S. presidential election and the Federal Reserve's upcoming policy [meeting](#) on Wednesday. The CBOE VIX, the market's "fear gauge," sits above its 30-day moving average of 19.45, signaling elevated market sensitivity. While this level remains below the peaks seen in previous election cycles, traders are bracing for increased volatility, especially with critical economic indicators on the horizon.

Across the Atlantic, European and U.K. markets opened steady, buoyed by gains in the energy sector as oil prices continued to rise. This upward momentum helped offset declines in tech stocks, reflecting investor optimism in resource-linked sectors amid global energy demand. The upcoming U.S. election outcome also looms large for European markets, as potential policy shifts could impact trade relations and economic growth. The [steadiness](#) of gold prices further underscores the cautious sentiment as traders balance between growth opportunities and defensive investments, finding some stability across multiple sectors.

In Asia, Chinese stocks gained modestly, fueled by local investor confidence and expectations of government support for sectors like real estate and technology. Japan's market dynamics also contributed to the regional picture, with the Bank of Japan's recent policy moves lending resilience to the yen. Hong Kong's markets remained steady, and Australia's market signals early resilience, supported by the broader trend of cautious optimism globally. As the week progresses, global markets will track key economic developments in the U.S. and Asia, with investors anticipating data and events that may set the tone for year-end market projections and strategic positioning across portfolios worldwide.

Global Market Snapshot

- **S&P 500 Mini Futures:** 5,770.75 (+0.22%)
- **DJIA Mini Futures:** 42,170 (-0.09%)
- **Nikkei:** 38,053.67 (-2.63%)
- **MSCI Asia, Ex-JP:** 595.13 (+0.49%)
- **EUR/USD:** \$1.0896 (+0.56%)
- **Spot Gold:** \$2,737.77 (+0.10%)
- **U.S. Crude:** \$70.71 (+1.76%)
- **10-Yr U.S. Treasury Yield:** 4.3857% (+0.023)

Notable Investor.Coffee News (Alphabetical Order)

[Alphabet Inc.](#) (NASDAQ: GOOGL), [Equinix Inc.](#) (NASDAQ: EQIX) and [Meta Platforms Inc.](#) (NASDAQ: META) – November 3, 2024

Yesterday, major U.S. tech companies, including Alphabet, Equinix, and Meta, urged the Vietnamese government to [reconsider](#) a proposed data regulation law that restricts data transfer

abroad and increases government access to stored data. Representatives from these companies, including Jason Oxman, chair of the Information Technology Industry Council, raised concerns that such restrictions could hinder social media and data center growth in Vietnam, impacting millions of users. The draft law, currently in parliament, has heightened scrutiny around data privacy and local control requirements in a rapidly expanding digital economy.

American Rare Earths Limited (ASX: ARR | OTCQX: ARRF) – November 4, 2024

American Rare Earths [announces](#) the appointment of board member [Melissa Sanderson](#) as Co-Chair of the [Critical Minerals Institute \(CMI\)](#), emphasizing her considerable experience in sustainable development and policy advocacy, crucial for advancing North America's independent rare earth supply chain. In her new role, Sanderson will leverage her extensive diplomatic and corporate background to enhance critical mineral advocacy, aiming to reduce North American dependency on foreign rare earths. Her contributions to ARR have significantly advanced the company's strategic goals, including securing a pivotal Letter of Interest from the EXIM Bank, underscoring her influential role in promoting a sustainable and ethical REE supply chain.

Apple Inc. (NASDAQ: AAPL) – November 4, 2024

Today, EU antitrust regulators [announced](#) plans to review Apple's compliance with new EU laws regulating major digital platforms, focusing on Apple's iPad OS as an essential gateway for businesses. This move follows the European Commission's April designation of Apple's iPad OS as a "gatekeeper" platform, subject to stringent compliance requirements. Additionally, Apple faces accusations from the U.S. National Labor Relations Board regarding alleged anti-union practices and pay equity issues, underscoring regulatory challenges on both sides of the Atlantic.

Berkshire Hathaway Inc. (NYSE: BRK.A) – November 2, 2024

In its Q3 [report](#) released on Saturday, Berkshire Hathaway revealed it reduced its stake in Apple by 25%, signaling a cautious approach amidst market volatility. The conglomerate now holds approximately 300 million Apple shares, down from 400 million. For the first time since 2018, Berkshire refrained from stock buybacks, choosing instead to bolster its cash reserves, now at a record \$325.2 billion. Despite this, Berkshire's operating profit fell 6% in Q3 to \$10.09 billion, missing analysts' expectations.

Blackstone Inc. (NYSE: BX) – November 4, 2024

Blackstone's private wealth division is set to [expand](#) into two new European markets in 2025, responding to increased demand among high-net-worth individuals. With a minimum investment threshold of \$10,000, Blackstone's wealth assets have grown substantially, reaching \$250 billion globally, up from \$103 billion in 2020. France and Italy are expected to be key markets for this expansion.

Boeing Co. (NYSE: BA) – November 4, 2024

Factory workers at Boeing's West Coast plants are set to vote [today](#) on a revised contract offer, potentially ending a seven-week strike that has stalled jet production. The new proposal includes a 38% wage increase over four years, marginally higher than the previous 35% offer, which was rejected by two-thirds of the machinists. The result of today's vote, expected by evening, will determine whether Boeing's production lines will resume this week.

Braskem SA (NYSE: BAK) – November 1, 2024

Brazilian petrochemical giant Braskem is facing legal [challenges](#) after police concluded an investigation into environmental damage allegedly caused by its salt mining operations in Maceio. On Friday, federal authorities named Braskem and 19 individuals

as suspects, with accusations including pollution and damage to public property. Braskem's response emphasizes its commitment to address these issues and cooperate fully with authorities.

Catalent Inc. (NYSE: CTLT) & Novo Nordisk A/S (NYSE: NVO) – November 4, 2024

The European Commission has set a December 6 deadline to decide on Novo Holdings' acquisition of Catalent. This acquisition would bolster Novo's production capabilities, particularly for its popular obesity treatment, Wegovy. EU regulators are considering antitrust remedies, and approval remains anticipated by year-end.

Eni SpA (NYSE: E) – November 4, 2024

Eni finalized the sale of its Alaskan assets, including Nikaitchuq and Oooguruk fields, to Hilcorp for \$1 billion. This sale aligns with Eni's plan to raise funds by divesting assets through 2027 to support low-carbon initiatives. The company's recent efforts to optimize its portfolio aim to meet its €8 billion revenue target by 2025.

Hecla Mining Co. (NYSE: HL) – November 4, 2024

Hecla Mining has appointed Rob Krcmarov as CEO, effective November 7, 2024, succeeding interim CEO Catherine Boggs. Hecla, which produces over 45% of the U.S.'s silver, aims to strengthen its North American mining operations, particularly in Alaska, Idaho, and Quebec. Krcmarov, previously with Barrick Gold, brings extensive experience in mine management and growth strategies.

Intel Corp. (NASDAQ: INTC), Nvidia Corp. (NASDAQ: NVDA) and Sherwin-Williams Co. (NYSE: SHW) – November 1, 2024

In a notable shift on the Dow Jones Industrial Average, Nvidia and Sherwin-Williams are set to replace Intel and Dow Inc., effective next week. Nvidia's inclusion highlights the rising

dominance of AI and high-performance computing, while Intel's declining share price reflects ongoing struggles in the semiconductor market. Nvidia and Sherwin-Williams' stocks rose after the announcement, while Intel's declined.

Lockheed Martin Corp. (NYSE: LMT) – November 3, 2024

Australia's Department of Defence announced the [cancellation](#) of its GEO satellite contract with Lockheed Martin, originally aimed at enhancing satellite communications over the Indo-Pacific region. Instead, Australia will pursue a more flexible, multi-orbit satellite system, allocating A\$9-12 billion to the project. This pivot underscores Australia's shift toward a resilient space infrastructure.

LyondellBasell Industries NV (NYSE: LYB)

On Friday, LyondellBasell confirmed plans to close its Houston refinery by Q1 2025, citing declining demand for traditional fuels. The refinery, which processes nearly 264,000 barrels per day, was initially slated for closure in 2023 but was kept operational due to strong fuel margins. The closure aligns with broader industry trends towards renewable energy production.

Meta Platforms Inc. (NASDAQ: META) and Nvidia Corp. (NASDAQ: NVDA) – November 4, 2024

The U.S. Supreme Court has agreed to hear [appeals](#) from Meta and Nvidia regarding class-action securities fraud lawsuits, with both companies challenging the Ninth Circuit's allowance for these cases to proceed. The outcome could have significant implications for private enforcement of securities laws following recent rulings that limited regulatory oversight.

Neo Performance Materials Inc. (TSX: NEO) – November 4, 2024

Neo Performance has [secured](#) a US\$50 million credit facility from Export Development Canada to fund the construction of its new sintered magnets facility in Narva, Estonia. The facility, which

aligns strategically with Neo's existing rare earth separation plant, aims to produce 2,000 metric tons of sintered magnets annually, vital for electric vehicles and wind turbines. Construction, which started in 2023, is on track and within the budget of an estimated US\$75 million, supported by significant funding including a grant from the European Union's Just Transition Fund. Neo plans to complete the facility in 2025, enhancing its capacity to meet the growing demand for sustainable manufacturing in Europe and North America.

Nvidia Corp. (NASDAQ: NVDA) – November 4, 2024

Nvidia's CEO Jensen Huang requested memory chipmaker SK Hynix to accelerate production of its next-generation HBM4 memory chips, set for release in late 2025. This move underscores Nvidia's push for higher capacity chips, critical for its expanding AI chip market. SK Hynix has already committed to an expedited production timeline, aiming to deliver its advanced memory solutions within months.

Ryanair Holdings Plc (LSE: RYA) – November 4, 2024

Ryanair lowered its passenger growth forecast due to Boeing delivery delays, adjusting its target from 215 million to 210 million passengers by March 2026. The airline's recent half-year earnings showed a decline in profit due to reduced fares, but CEO Michael O'Leary anticipates improved fare stability in the coming months.

Publication Schedule

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noise, highlighting the essential details every investor should know.

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