

InvestorCoffee (07.16.2024): Dow Closes Record High, Cost of Living Soars in Canada

written by Tracy Hughes | July 16, 2024

A benefit of aging is the ability to rise at 440 AM without looking back. Interview with Nick Holthouse from [Meteoric Resources NL](#) (ASX: MEI), this is the ionic clays play in Brazil that many of us are tracking, I must confess – his prioritization for cost effective production, combined with the [recent MOU](#) with Lab Fabs was a good start for my morning coffee.

Relieved that the political instability I perceived from the Trump rally, my favorite update this morning as we head into today's market was "The Dow Jones Industrial Average [gained](#) over 200 points, closing at 40,211.72, marking a record close and intraday high."

Heading into an InvestorTalk at 9 AM with Edward Gosselin from [Kobo Resources Inc.](#) (TSXV: KRI), [click here](#) to join us. I urge you to watch the Pat Ryan (CEO and Chairman of [Ucore Rare Metals Inc.](#) (TSXV: UCU | OTCQX: UURAF)) interview with Jack Lifton we published yesterday – [click here](#).

Now for InvestorCoffee Updates

World News

In the global markets, the sentiment remains mixed. Euro STOXX 50 futures dipped by 10 points to 5,010.0, while FTSE futures lost 17.5 points, closing at 8,183.0. German DAX futures also saw a decline, dropping 27 points to 18,717.0. The market movements reflect broader concerns and anticipations, from

fluctuating oil prices influenced by China's economic outlook to the cautious optimism surrounding potential U.S. Federal Reserve rate cuts anticipated as early as September.

Japan's Nikkei share average rose, bolstered by gains on Wall Street. Investors are closely watching the geopolitical climate, including the ramifications of an assassination attempt on U.S. presidential candidate Donald Trump, which could influence the upcoming elections. Oil prices saw a slight decline, with U.S. crude at \$81.67 per barrel and Brent crude at \$84.65, reflecting concerns over China's economic growth and its impact on global demand.

United States

The major U.S. indices closed positively on Monday. The Dow Jones Industrial Average gained over 200 points, closing at 40,211.72, marking a record close and intraday high. The S&P 500 and Nasdaq Composite also ended higher, closing at 5,631.22 and 18,472.57, respectively. Federal Reserve Chair Jerome Powell, [speaking](#) at the Economic Club of Washington D.C., hinted at imminent rate cuts, suggesting that the Fed may act before inflation hits the 2% target, aiming instead for "greater confidence" in inflation trends. Powell's comments provided a boost to market optimism, as he downplayed the likelihood of a hard landing for the U.S. economy.

Canada

The Canadian economy continues its modest growth trajectory in Q2 2024. According to the latest Main Street Quarterly report by the Canadian Federation of Independent Business (CFIB), the economy grew by 2.0% in Q2, building on the 1.7% growth seen in Q1. The total Consumer Price Index (CPI) inflation receded to 2.8% in Q2 and is expected to further decline to 2.4% in Q3. However, businesses, particularly those in repair, maintenance,

and personal care services, are grappling with high borrowing and product input costs. The private sector job vacancy rate also saw a slight improvement, with 458,000 unfilled positions, translating to a 3.3% vacancy rate.

The CFIB report highlights a significant increase in the costs of doing business, with unit costs spiking by 26% during 2022 and remaining elevated since. Simon Gaudreault, CFIB's chief economist and vice-president of research, emphasized that while economic growth is encouraging, small businesses continue to face steep cost increases, including wage pressures and high energy and fuel costs, which impact their ability to invest.

Australia

In Australia, the markets are closely monitoring the shifts in global economic policies, particularly those from major trading partners like China and the U.S. The Reserve Bank of Australia (RBA) has maintained a cautious stance, balancing the need to support economic growth with managing inflationary pressures. The mining sector, a significant component of the Australian economy, has seen mixed results, with fluctuations in global demand and commodity prices influencing market performance.

United Kingdom

The UK markets mirrored the cautious optimism seen globally. Losses in metal miners and disappointing earnings reports from companies like Hugo Boss weighed on European shares. Hugo Boss, in particular, cut its sales guidance for the year, citing weakening consumer demand in key markets such as China and the UK. In contrast, HSBC Holdings Plc has taken proactive steps to capitalize on the shift towards a lower-carbon economy by establishing a new infrastructure finance unit, led by a former UK politician, aiming to build new public and private sector partnerships.

Europe and Rest of the World

In Europe, Swedish banking group SEB reported better-than-expected second-quarter profits, thanks to diversified revenue streams offsetting slower interest income growth. Russia's Kaspersky Labs announced its exit from the U.S. market following recent sales bans. Meanwhile, French oil giant TotalEnergies SE expects its Q2 hydrocarbon production to hit the high end of its guidance, driven by higher refinery utilization.

India has introduced a unified 5% tax on all imports of aircraft components and engine parts, a move aimed at streamlining the tax structure. Additionally, India's central bank has mandated lenders to provide defaulters adequate time to respond before classifying their accounts as fraudulent, in line with a recent Supreme Court judgment. Interestingly, India's four-week platinum imports have surged, driven by dealers exploiting a loophole by registering gold alloys as platinum to avoid higher duties.

Note: Tracy Hughes uses a variety of sources for her daily market update, "InvestorTalk." InvestorTalk is intended to be a brief summary of market highlights that the InvestorNews team finds engaging. This 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. She enjoys utilizing ChatGPT and other technology devices to help distill information and prioritize business data.
