

2 September 2024



**Handelsbanken**

Wealth & Asset Management

WEEKLY BULLETIN

## A quiet week wraps up a volatile month

### Key takeaways

Economic data continues to be supportive for September interest rate cuts in the US and Europe, while Nvidia's earnings update reaffirmed the artificial intelligence (AI) growth story.

#### Inflation continues falling across the Eurozone and US

The implications of helpful inflation updates on both sides of the Atlantic helped European and US share prices, with those in Europe reaching a new record high. Preliminary data on August headline inflation for the Eurozone continued to show slowing – a three-year low of 2.2% on an annual basis. This was in line with forecasts, and was notably lower than July's figure of 2.6%. In the US, the central bank's key measure of inflation, the headline personal consumption expenditure price index, increased by an annualised 2.5% over the same period, also in line with analysts' forecasts. Both readings reinforced expectations of interest rate cuts by the European and US central banks in September.

#### Nvidia second quarter profits more than double

Briefly the world's most valuable quoted company earlier this month, AI mega stock Nvidia reported second quarter sales up by 122%, compared with the same period last year. The company also reported net profits of \$16.6 billion compared with \$6.18 billion in the same period in 2023. This update from the company was eagerly awaited by the market because Nvidia has been the largest contributor to the rise of the US stock market so far this year, and as it is one of the most important bellwethers for the state of the AI technology boom. Despite a muted initial reaction and some profit taking following the earnings release, the market consensus seems to be that the investment case for the company and growth prospects for the AI sector remain intact.

### Market moves

US economic growth for the second quarter of 2024 was revised from 2.8% to 3% on an annual basis, supporting a recovery in the dollar during the final week of the month.

The Organization of the Petroleum Exporting Countries (OPEC) cut its forecast for global oil demand in 2024, from 2.25 to 2.11 million barrels a day. Weaker demand from China was a major catalyst.

After rising above 65 early in August, the VIX 'fear index' (the CBOE Volatility Index – a measure of market expectations for volatility) fell to 15 by the end of the month. The VIX measures expected volatility in the S&P 500 Index, which represents the 500 largest listed US companies.

### What to look out for this week

Private sector survey data in China (Monday) and the US (Tuesday) will be analysed for the strength of manufacturing demand and confidence.

US non-farm payrolls will be released on Friday. Economists expect 165,000 jobs were added to the US economy during August, compared with 114,000 in July. The unemployment rate is expected to have eased to 4.2%.

If you have questions about financial markets, or our investment services, please contact the Marketing team:

[marketing.hwam@handelsbanken.co.uk](mailto:marketing.hwam@handelsbanken.co.uk)

---

## Important Information

Handelsbanken Wealth & Asset Management Limited is authorised and regulated by the Financial Conduct Authority (FCA) in the conduct of investment and protection business, and is a wholly-owned subsidiary of Handelsbanken plc. For further information on our investment services go to [wealthandasset.handelsbanken.co.uk/important-information](http://wealthandasset.handelsbanken.co.uk/important-information). Tax advice which does not contain any investment element is not regulated by the FCA. Professional advice should be taken before any course of action is pursued.

- Find out more about our services by contacting us on 01892 701803 or visiting our website: [wealthandasset.handelsbanken.co.uk](http://wealthandasset.handelsbanken.co.uk)
- Read about how our investment services are regulated, and other important information: [wealthandasset.handelsbanken.co.uk/important-information](http://wealthandasset.handelsbanken.co.uk/important-information)
- Learn more about wealth and investment concepts in our Learning Zone: [wealthandasset.handelsbanken.co.uk/learning-zone/](http://wealthandasset.handelsbanken.co.uk/learning-zone/)
- Understand more about the language and terminology used in the financial services industry and our own publications through our Glossary of Terms: [wealthandasset.handelsbanken.co.uk/glossary-of-terms/](http://wealthandasset.handelsbanken.co.uk/glossary-of-terms/)

All commentary and data is valid, to the best of our knowledge, at the time of publication. This document is not intended to be a definitive analysis of financial or other markets and does not constitute any recommendation to buy, sell or otherwise trade in any of the investments mentioned. The value of any investment and income from it is not guaranteed and can fall as well as rise, so your capital is at risk.

We manage our investment strategies in accordance with pre-defined risk and reward targets, which vary from strategy to strategy to suit a range of customer needs. Portfolios may include individual investments in structured products, foreign currencies and funds (including funds not regulated by the FCA) which may individually have a relatively high risk profile. The portfolios may specifically include hedge funds, property funds, private equity funds and other funds which may have limited liquidity. Changes in exchange rates between currencies can cause investments of income to go down or up.

Registered Head Office: No.1 Kingsway, London WC2B 6AN. Registered in England No: 4132340 [wealthandasset.handelsbanken.co.uk](http://wealthandasset.handelsbanken.co.uk)