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MORNING NOTE



International

United States

Major US indices made a retreat to the downside following a mixed bag of quarterly results from mega-cap companies, Tesla Inc -12.33% and Alphabet Inc -5.04%.

Alphabet Inc lost 5% despite reporting quarterly earnings and revenue that exceeded consensus expectations. The growing losses on the firms AI products was what disappointed investors as advertising revenue from YouTube also fell short of expectations.

Tesla Inc retreated by almost 12%, reversing most of the gains from its month-long rally since the start of June. The conglomerate reported its lowest profit margin in more than 5 years which prompted management to delay the launch of the new “robotaxi” prototype.

The S&P 500 -2.31%, Nasdaq Composite -3.64% and DJIA -1.3% all traded in the red as seven out of the eleven S&P 500 sectors registered losses.

Europe

The Euro Stoxx 600 -0.61% and FTSE UK 100 -0.17% declined to lower levels as both equity benchmarks were broadly impacted by losses in luxury sector shares.

Composite PMI data in the UK climbed to a level of 51.8 in July from a level of 50.9 registered in June.

Asia

The Hang Seng -1.9% and Shanghai Composite -0.6% are trading in the red this morning, with Tencent Holdings Ltd and Alibaba Group both down -3.14% and -0.81% respectively.

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On the economic front, the US goods trade deficit for June compressed for the first time this year due to a broad rebound in exports across most sectors. The deficit narrowed to \$96.8bn from \$99.4bn registered in May.

The 10-year Treasury yield rose by 4bps to 4.29% while the Dollar Index was down 0.1% to 104.28.

Upcoming data: US GDP (2Q24), weekly initial jobless claims and PCE data (June).

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OUTLOOK FOR THE DAY



The lacklustre overnight performance on US markets, inconsistency in the Asian Pacific region, a slightly downbeat tone with regard to global commodity and precious metal prices and no clear evidence of a decisive technical rebound in early morning US futures trading action indicates that the JSE will encounter selling pressure at the commencement of today's session. **While we have highlighted the fact that the overall technical structure for the JSE-ALSH remains well supported, near-term metrics continue to telegraph a high probability of a retreat below the 55 day moving average as rate of change data, momentum figures and the complex 18 day moving average continue to exhibit a lacklustre tone.** Current trading exposure may be retained but **additional trading exposure should be avoided until clear evidence of a high-volume near-term trading bottom emerges.**

[Click here](#)
to view the Market Snapshot and trading ideas by
Technical Analyst, Ernie Gruhn

JSE SENS

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① FOREX

Currency	Spot	Move (%)
USDZAR	18.43	0.18 ▲
GBPZAR	23.74	0.15 ▲
EURZAR	19.97	0.05 ▲
AUDZAR	12.06	-0.22 ▼
EURUSD	1.08	-0.04 ▼
GBPUSD	1.29	-0.20 ▼

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