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US Economic Data

GDP and Employment

The US reported moderate GDP growth for Q2 2024. Employment data showed a slight increase in job creation, with a focus on the tech and healthcare sectors. However, inflation concerns remain due to rising consumer prices

Federal Reserve:

The Federal Reserve hinted at potential interest rate hikes to combat inflation, impacting investor sentiment and causing fluctuations in the stock market.

Warren Buffett's Berkshire Hathaway: Steady Amid Turbulence

Amidst the economic uncertainty, Warren Buffett's Berkshire Hathaway continues to be a beacon of stability. On August 7th, Berkshire reported its Q2 earnings, showcasing strong performance across its diverse portfolio of businesses. The company's stockpile of cash, now exceeding \$150 billion, reflects Buffett's cautious approach in these uncertain times. Berkshire's energy and insurance divisions performed particularly well, contributing to a 6% increase in operating earnings. As always, Buffett's strategy of value investing and holding long-term positions in quality companies remains a guiding principle for investors seeking refuge in a volatile market.

Hindenburg alleges Sebi chief, her husband had stakes in obscure offshore funds used in Adani money siphoning; duo denies allegations

US-based short seller Hindenburg Research alleged on Saturday that Sebi Chairperson Madhabi Puri Buch and her husband had held stakes in obscure offshore funds used in Adani money siphoning. Madhabi Puri Buch and Dhaval Buch categorically rubbished the allegations in the Hindenburg report, describing them as "baseless" and "devoid of any truth". "Our life and finances are an open book. All disclosures as required have already been furnished to Sebi over the years..."

Unemployment Data: Signs of a Slowing Economy?

The latest unemployment data released on August 4th shows a slight uptick in jobless claims across major economies, hinting at a potential slowdown in the global economy. The U.S. reported a 0.2% increase in unemployment, reaching 3.8%, while the Eurozone's rate remained steady at 6.4%. Emerging markets like Brazil and India have also seen marginal increases in unemployment, which could indicate growing economic challenges. Analysts suggest that these numbers reflect the cautious sentiment among employers amid fears of a looming recession.

Bank of Japan Interest Rate Hike: Shockwaves Across Global Markets

In a surprising move on August 5th, the Bank of Japan (BOJ) announced an interest rate hike for the first time in over a decade, raising rates from -0.1% to 0.1%. The decision, aimed at countering inflation, sent shockwaves across global markets. The Japanese yen strengthened, while stock markets in Asia, Europe, and the U.S. reacted with heightened volatility. The BOJ's action is seen as a turning point, signaling a shift in the ultra-loose monetary policies that have defined the post-pandemic recovery. Investors globally are now reassessing their portfolios in light of the potential for tighter monetary conditions.

Growing Fear of a Global Recession: Are We on the Brink?

The fear of a global recession is becoming increasingly palpable as multiple indicators point towards a slowing economy. High inflation, rising interest rates, and geopolitical conflicts are all contributing to a sense of uncertainty. Major banks have revised their growth forecasts downward, with some predicting a mild recession by early 2025. Consumer confidence is waning, and corporate earnings reports are showing signs of

strain. The global economy appears to be at a critical juncture, with policymakers facing tough choices to stave off a full-blown recession.

Remembering Black Monday: Lessons from the 1987 Market Crash

As the global markets continue to show signs of volatility, the finance world pauses to reflect on Black Monday, the infamous market crash of October 19, 1987, where the Dow Jones Industrial Average plunged 22.6% in a single day. The current market climate, characterized by high inflation, geopolitical tensions, and uncertain central bank policies, draws eerie parallels to the conditions leading up to Black Monday. Investors are advised to stay vigilant and consider diversification as a safeguard against potential market downturns.

European Markets

- **Eurozone Economy:** The Eurozone experienced mixed economic signals. Germany reported stronger industrial production, while France faced challenges with slower retail sales growth. The European Central Bank maintained its cautious stance on monetary policy amid persistent inflation concerns.
- **UK Financial Sector:** The UK financial sector showed resilience, with banks reporting higher profits driven by increased lending activity. However, uncertainties surrounding Brexit continue to impact long-term economic projections.

Asian Markets

- **China's Slowdown:** China's economic data indicated a slowdown in manufacturing and export growth. The government is expected to introduce policy measures to stimulate the economy and support key industries.
- **Japan's Recovery:** Japan reported a moderate economic recovery, with increased consumer spending and higher export volumes. The Bank of Japan remains committed to its ultra-loose monetary policy to support growth.

For questions and concerns,
reach out to us!

