

WEEKLY NEWS



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What's stalling China's stock market recovery, according to KraneShares' CIO?

China's slow post-Covid recovery could be a lasting headwind for its stock market.

With the mainland's two largest indexes — the Shanghai Composite and the Shenzhen Composite— each negative so far in 2024, KraneShares Chief Investment Officer Brendan Ahern thinks government stimulus is necessary to kick-start the country's stock market performance.

Chart of the Day: Is China's steel output decline the answer to the Indian steel producers' woes?

China's steel output declined sequentially in June and July, raising hopes output curbs could limit its appetite for exports that have depressed global steel prices. China's steel exports are likely to reach an 8-year high in 2024, says an FT report, with exports expected to top 100 million tonnes, the highest since 2016 according to Mysteel, a steel consultancy firm. The country's domestic appetite for steel has waned as crucial user industries such as real estate are in a slump and even otherwise, consumption growth too is not supportive of higher steel consumption.

Next Fed Meeting: When It Is In September and What To Expect

The next Federal Open Market Committee (FOMC) meeting will be held on September 17-18, 2024.

This is one of the key dates that investors, economists, and policymakers mark on their calendars.

Some experts expect the Fed to hold rates steady at a target of 5.25%-5.50%, as the Fed still waits for inflation to ease a bit more to its 2% target. There is speculation among traders on the likelihood of a cut of between 25 and 50 basis points in September.

The FOMC is the Federal Reserve System's monetary policy-making arm, and its decisions have far-reaching implications for the U.S. economy. Meeting eight times a year, and occasionally more if the situation demands, the FOMC deliberates on the nation's interest rates and other financial policies. These

decisions influence everything from the rates you get on your savings account to the cost of borrowing for homes and businesses.

Latest inflation data gives a ‘bright green light’ for a rate cut

The Federal Reserve’s go-to inflation gauge held at 2.5% in July, Commerce Department data showed Friday. That’s better than anticipated and shows progress — but still underscores the bumpy process for inflation’s descent.

The Personal Consumption Expenditures price index, which the Fed uses for its 2% target rate, was 2.5% for the year ended in July, unchanged from June. On a monthly basis, prices increased 0.2% versus 0.1% the prior month.

The latest inflation reading, which served as further confirmation that the pace of price hikes is sustainably cooling, comes just weeks before the Fed is expected to start easing monetary policy and cutting interest rates.

For questions and concerns, reach out to us!

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