

# Weekly market review

## 3rd September 2024.

---

A look back at the previous week's markets.

By Anthony Walters  
Head of ESG - Clever



**Clever.**

# A look back at the markets...

- **Industrials Lead as Markets Consolidate**
- **Pound Poised for Strong Performance in Global Currency Markets**
- **Inflation Cooling Paves Way for Rate Cuts in US and Europe**
- **Volvo's Electric Trucks Set to Revolutionise Long-Distance Transport**

## Market Recap.

As markets are consolidating, the industrials continue to lead, with the Dow Jones Industrial Average ETF (0.77%) and FTSE 100 ETF (0.60%) leading the way.

The S&P 500 ETF (-0.17%) was broadly flat whilst the tech-focused Nasdaq 100 ETF (-1.17%) lagged for the week.

## News.

The pound is set to be one of the world's top-performing major currencies this year amid expectations of "above trend growth" in the UK economy and slower interest rate cuts, according to Bank of America.

The Wall Street titan said the pound is poised to hit \$1.41 by the end of 2025, after hitting a 29-month high of \$1.323 last Tuesday. Sterling is worth around \$1.314 as of Monday morning. It has jumped 3.2 per cent against the dollar so far this year as money markets bet on more gradual interest rate cuts from the Bank of England compared to the US Federal Reserve.

## Inflation.

Inflation cooled in the US and Europe, setting the stage for policymakers in both regions to lower interest rates in September. On a three-month annualised basis, the Federal Reserve's preferred measure of underlying US inflation advanced 1.70% in July, the slowest this year. In Europe, consumer prices rose 2.20% in August from a year ago — the tamest since mid-2021 and significantly lower than the 2.60% pace a month earlier.

## Central Banks.

The Governor of the Bank of France, François Villeroy de Galhau, has called for a further reduction in interest rates by the European Central Bank (ECB) in September, following the cut implemented in June.

In an interview with Le Point magazine, de Galhau remarked that a new rate cut would be "just and wise", aligning with the ECB's gradualist approach. "Our meeting on September 12 should, in my view, take action. It would be fair and wise to decide on a new rate cut".

## Commodities.

Oil prices closed the week at \$73 per barrel, declining 1% for the week, as investors factored in the likelihood of rises in OPEC+ supply starting in October. Gold futures pushed their record levels higher for the fifth week in a row, and briefly topped \$2,560 per ounce last Friday morning, up about 23% year-to-date.

## Geopolitics.

The head of Israel's trade union federation Histadrut has called for a general strike on Monday to pressure the government to reach a deal with Hamas for the return of Israeli hostages. As well as the hundreds of thousands of workers that the union represents, Israel's main manufacturers, universities and entrepreneurs in the high-tech sector also backed the strike.

## ESG.

Volvo Trucks announced today plans to introduce a heavy-duty electric truck next year capable of traveling 600 km on a charge, marking a major expansion in range for its electric truck lineup based on new technology from the company. Anticipated to be released for sale during the second half of 2025, Volvo's updated FH Electric will be able to reach up to 600 km on one charge, which the company said will enable transport companies to operate the trucks on interregional and long-distance routes, and to drive for a full working day without recharging.

## Week Ahead.

In one of the busiest weeks of the month for data, the UK, US, and EU publish their PMI (Purchase Manager Indices) figures. The US and EU is expected to show contraction in its manufacturing whilst the UK is expected to report growth. European, UK and US services are all expected to report growth.

On Friday, the EU reports its latest GDP figures, with year-on-year growth expected to rise from 0.40% to 0.60%.

**Sources:**

Anthony Walters - Head of ESG at Clever Adviser Technology Ltd (Clever)

Market recap Data sourced from FE FundInfo & Koyfin. ETFs quoted: iShares Core FTSE 100 UCITS ETF, iShares Core S&P 500 UCITS ETF, iShares Nasdaq 100 UCITS ETF (quoted in Pounds Sterling).

News Pound set to continue surge against dollar as interest rate cuts slow, By Lars Mucklejohn, CityAM/ Yahoo Finance, 02/09/24

Inflation Charting the Global Economy: Inflation Eases in US and Europe, By Molly Smith and Vince Golle, Yahoo Finance/Bloomberg, 03/09/24

Central Banks Bank of France Governor adds voice to calls for ECB September rate cut, By Piero Cingari, Euro News, 02/09/2024

ESG Volvo Unveils 600 km Range Heavy Duty Electric Truck, by Mark Segal, ESG Today, 03/09/24

Geopolitics Nathan Sweeney, Marlborough Investment Group

Commodities Nathan Sweeney, Marlborough Investment Group

Week ahead Data sourced from Investing.com

**Important Information:**

This document is a general communication being provided for informational purposes only. It is educational in nature and not designed to be taken as advice or a recommendation for any specific investment product, strategy, plan feature or other purpose in any jurisdiction, nor is it a commitment from Clever to participate in any of the transactions mentioned herein. Any examples used are generic, hypothetical and for illustration purposes only.

This material does not contain sufficient information to support an investment decision and it should not be relied upon by you in evaluating the merits of investing in any securities or products. You should make an independent assessment of the legal, regulatory, tax, credit, and accounting implications and determine – together with your own professional advisers if appropriate – if any investment mentioned herein is believed to be suitable. Investors should ensure that they obtain all available relevant information before making any investment. Any forecasts, figures, opinions or investment techniques and strategies set out are for information purposes only, based on certain assumptions and current market conditions and are subject to change without prior notice.

All information presented herein is considered to be accurate at the time of production, but no warranty of accuracy is given and no liability in respect of any error or omission is accepted. Issued by Clever Adviser Technology Ltd (Clever), a company registered in England and Wales (company number: 2910523) with registered office at Watergate House, 85 Watergate Street, Chester, Cheshire CH1 2LF.

