

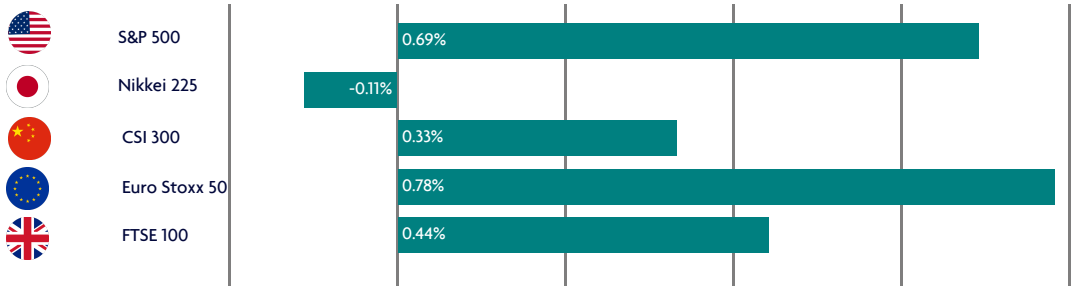
Weekly Market Update

2 April 2024

Returns from stock markets were muted over shortened pre-holiday week. The week's best performance from major markets came from the US and Europe.



Market Monitor (%): How did major stock markets perform last week?



Market Update:



The UK stock market delivered modestly positive returns in a quiet week of trading leading up to the Easter holidays. The UK's Office for National Statistics officially confirmed on Thursday that the country had entered a technical recession for the first time since early 2020, with the economy contracting by 0.3% in the final quarter of 2023, following a 0.1% contraction in the third quarter.



Most of the major indexes advanced over the shortened trading week to end a quarter of strong gains. The S&P 500 Index recorded new closing and intraday highs to end the week. The market's advance was notably broad. Markets were closed on Friday in observance of the Good Friday holiday but were scheduled to reopen on Monday in advance of many international markets. Last week, the collapse of the Francis Scott Key Bridge cut off shipping access to the Port of Baltimore, one of the nation's largest ports and its primary port for car and truck shipments. President Joe Biden pledged federal aid to reopen the port would soon be coming, but the broader economic implications of the shutdown remain uncertain, particularly given the long-term diversion of trucking routes while the bridge is rebuilt.



Most European markets advanced in a week of generally light trading ahead of the Easter holiday weekend. Germany's Federal Statistical Office reported that retail sales had plunged 1.9% in February—well below consensus expectations for a small increase and the biggest drop in 17 months. Meanwhile, leading economic institutes in Germany said that they expected the country's economy to grow by 0.1% in 2024, cutting the prior forecast of 1.3%. High interest rates, weak global demand, and political uncertainty dented hopes for a stronger recovery.



Japan

Japan's stock markets fell through Thursday's trading. Investor focus was on the sharply depreciating yen, which hovered near JPY 152 against the U.S. dollar—which is perceived by many as a point that could trigger authorities to intervene in the foreign exchange markets to prop up the Japanese currency. The country's three main monetary authorities suggested after meeting on Wednesday that they could be ready to stage such an intervention, in the strongest hint to date and after the currency dipped to a 34-year low. The historic weakness in the yen has benefited many of Japan's exporters, as they derive a significant share of their earnings from overseas.



China

Chinese stocks declined for the week ended Thursday as concerns about the continuing property sector downturn weighed on investor confidence. Chinese Premier Li Qiang told participants at the China Development Forum, an annual summit for global business leaders, that the country is open to foreign investment. Premier Li also pledged that the government will step up measures to support growth in several sectors, including biological manufacturing, artificial intelligence, and the data economy. However, Beijing's pro-business message came as many investors seek evidence that China will further increase policy support to meet its growth goals.



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