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Global Market – US Market at record high – DOW30 above 39000 and S&P500 above 5000

This week we will discuss US market which are trading at record high, US FOMC meeting minutes released this week and how China continue to provide support to its economy which continue to struggle despite opening up in last January.

US Market at record high – DOW30 above 39000 and S&P500 above 5000 & NASDAQ above 16000

NVIDIA after its fantastic earnings lead the rally in tech stocks. US FOMC meeting minutes released this week failed to provide any timing of rate cut, yet not negative reaction by market and market took this outcome with a stable view.

Dollar Index is currently trading below 104 level & US 10-year bond around 4.30%. Market risk indicator is evenly balanced and indicates stability. However incoming data will continue to provide cues, rate cut is ruled out in March US Fed meeting outcome on 20-Mar-24.

Fed Minutes Suggest Officials Are Seeking Smallest Balance Sheet Possible

Federal Reserve policymakers are gearing up for a bigger discussion about the central bank's balance sheet, but for now its clear officials are keen to make it as small as possible.

In the minutes of last month's Federal Open Market Committee meeting, some participants said slowing the pace of the runoff — a process known as quantitative tightening, or QT — could help a transition to the point where bank reserves are considered ample and allow the FOMC to continue its balance sheet unwind for longer.

U.S. Jobless Claims Decline to Lowest Level in A Month

Initial applications for US unemployment benefits fell to the lowest in a month last week, underscoring continued strength in the labor market despite a growing number of high-profile job cuts at large companies.

Initial claims decreased by 12,000 to 201,000 in the week ending Feb. 17, according to Labor Department data released on Thursday. The figure was lower than all economists' estimates in a Bloomberg survey.

Top Fed Officials Bolster Case for Patient Stance on Rate Cuts

Three top Federal Reserve officials hammered home the message Thursday that the US central bank is still on track to cut interest rates this year — just not anytime soon.

Fed Vice Chair Philip Jefferson and Governor Lisa Cook said they're optimistic inflation is still cooling despite a blip in January, but made clear they want more evidence it's headed back to their 2% target before lowering borrowing costs.



China's Central Bank Tries to Catch Markets Off Guard with Surprise Easing

Constrained on all sides, China's central bank is aiming to squeeze more value out of its policy actions by catching markets unaware with surprise easing aimed at putting a floor under the struggling economy.

A record cut to a key lending rate earlier this week announced by the People's Bank of China was just the latest unexpected move since Governor Pan Gongsheng took office last summer. At a press briefing last month, he shocked with an outsized cut to banks' reserve requirement ratio.

Equichain Wealth Advisors: Market View & Opinion

When we consider key events this week, NVDA result which was above market estimate provided much needed trigger with strong jobs data. This was negative when we consider on hope of interest cut, but market took this data, NVDA result and US FOMC meeting minutes positively as sign of stable economy.

We are certainly cautious as rally seen in market globally seems to be running ahead of its on positive expectation and events will follow later on. Risk-On sentiment continue to provide much needed boost as economy remains strong.

In such time we would continue to maintain balance approach with investment around 65% to 75% while keeping cash level anywhere between 25% to 35%. We do fear that market may be vulnerable to any negative news which could increase volatility in near term.

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