



Nov 17, 2024

KN Market View

Main Topics

[Key Events](#) - Beijing is deepening its economic engagement with Latin America.

[Government Bonds and Currencies](#) - Recent events increased **pressure on the ruble.**

[Commodities](#) - IEA's prediction on oil surplus for 2025 estimated more than **1 million bpd of exceeding supply.**

[Stocks](#) - Earnings reports boost US market performance.

[Crypto](#) - **Altcoins Take Center Stage** as **Bitcoin Approaches \$100,000** Milestone

[Weekly Paper Picks](#) - **Oversupply Could Mute Effects of Wider Middle-East Conflict on Oil Prices.**

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Key Events

Economy at a glance

The UK's annual inflation rate climbed to 2.3% in October, the highest level in six months, up from 1.7% in September. This surpassed both market expectations of 2.2% and the Bank of England's target. **On a monthly basis, the CPI rose by 0.6%.** Additionally, **annual core inflation ticked up slightly to 3.3% from 3.2%** [link](#).

Great Britain Inflation Rate (%)



Source: Trading Economics | Office for National Statistics



Japan's annual inflation rate eased to 2.3% in October, down from 2.5% in September, **reaching its lowest level since January. Core inflation also declined to 2.3%, the weakest in six months**, slightly exceeding expectations of 2.2%. On a monthly basis, the CPI rose by 0.4%, recovering from the 0.3% drop recorded in September [link](#).

The preliminary estimate for the HSBC India Manufacturing PMI in November 2024 came in at 57.3, a slight decrease from October's 57.5. The figure reflects ongoing strength in manufacturing activity, supported by accelerated growth in new orders and output. Additionally, **manufacturing companies reported a rise in international sales**, maintaining the solid momentum observed in the prior month [link](#).

The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances (\$766,550 or less) in the US **increased for the fourth consecutive week, reaching 6.9%. This marks the highest rate since early July**, according to the Mortgage Bankers Association [link](#).

Beijing is deepening its economic engagement with Latin America, aiming to expand trade and strengthen its influence in the resource-rich region [link](#).

The HCOB Eurozone Composite PMI dropped to 48.1 in November, down from 50 in October, indicating the steepest contraction in private



sector activity across the bloc. This decline highlights **sluggish demand in the Eurozone's largest economies** [link](#).

Donald Trump has announced plans to implement a blanket tariff of 10% to 20% on all imports, with additional tariffs of **60% to 100%** specifically targeting goods **from China**. These proposed measures are likely to **hinder U.S. economic growth** heading into 2026, according to Seth Carpenter, Morgan Stanley's chief global economist [link](#).

Canadian retail sales likely rose by 0.7% in October compared to the previous month, according to a flash estimate. This marks the **fourth straight month of growth**, building on September's revised 0.4% increase, which was initially estimated at 0.3% [link](#).

The upcoming week in the **U.S.** will focus on the release of **PCE inflation data, the second estimate of Q3 GDP growth, and the Conference Board's consumer confidence index**. **Inflation data** will draw attention from Australia, Spain, Germany, the Netherlands, France, Poland, the Euro Area, and Italy. **GDP growth rates** will be reported by Turkey, Switzerland, India, and Canada. **In Germany**, reports will cover the **unemployment rate, the Ifo Business Climate Index, Gfk consumer confidence**, and retail sales. Additionally, **South Korea** and **New Zealand** are set to announce **interest rate decisions**, while **Japan** will release figures on retail sales, **industrial production, unemployment**, housing starts, and **consumer confidence**.



Government Bonds and Currencies

The Russian ruble loses ground against the US dollar

The drop in the Russian currency, following a significant escalation in the conflict with Ukraine, President Putin revised **the nation's doctrine to broaden the conditions justifying the use of nuclear weapons.**



Source: Trading Economics

This announcement coincided with **Ukraine targeting Russian territory with US-supplied missiles for the first time since the war began.** These events increased **pressure on the ruble**, already under strain from the Russian government's easing of capital controls, which supports the Kremlin's efforts to fund its budget through a weaker currency.



Euro against US dollar, lowest level since November 2022

The euro plunged to \$1.035, its lowest point since November 2022, after PMI data revealed continued **weakness in Eurozone business activity.** The HCOB Flash Eurozone Composite PMI fell to 48.1 in November from 50 in October, well below expectations of 50, as the services sector contracted for the first time in ten months, reflecting the ongoing struggles in manufacturing.



Source: Trading Economics



Earlier this week, the ECB's annual Financial Stability Review warned that **rising geopolitical tensions and policy uncertainties are exacerbating sovereign vulnerabilities, while escalating global trade disputes heighten the risk of economic shocks.** These challenges were compounded by the intensification of the Russia-Ukraine conflict, with Russia recently deploying a new type of ballistic missile against Ukrainian targets.

[Canada's Yields Climb as Inflation Rises, U.S. Treasuries Seek Safety](#)

The yield on Canada's 10-year government bond has risen **above 3.42%, marking its highest level in over four months.** This increase reflects **growing inflationary pressures** and signs of economic resilience, which suggest a less cautious approach from the Bank of Canada (BoC). These factors outweighed the global trend of **"flight to safety" that has driven down U.S. Treasury yields.**

In the U.S., heightened demand for safe-haven assets, fueled by geopolitical tensions and fears of escalation, has pushed **Treasury yields lower,** despite reduced market expectations for near-term Federal Reserve rate cuts.

In contrast, Canada is grappling with intensified inflation pressures. Producer prices rose 1.2% month-over-month in October, the fastest pace since April. Consumer inflation has also exceeded forecasts across key



measures, with the trimmed-mean core inflation rate increasing to 2.6% in October from 2.4% in September.

Canada's robust economic indicators, including lower-than-expected unemployment and strong PMI data, further reinforce the view that **significant rate cuts by the BoC are unlikely in the near term**. These dynamics are shaping a unique **divergence between Canadian and U.S. bond markets** [link](#).

[Japan's Yields Fall as Inflation Cools and Policy Shifts Loom](#)

The yield on Japan's 10-year government bond dropped below 1.08% on Friday, as investors reacted to the latest economic data. Inflation in Japan slowed to 2.3% in October, the lowest level in nine months, while core inflation also eased to 2.3%, slightly above the forecast of 2.2%.

At the same time, **Japan's economic performance showed mixed signals**. Manufacturing activity contracted more than expected in November, while the services sector continued to grow. This combination of weaker manufacturing and stronger services creates a **complex economic outlook**.

In terms of monetary policy, **Bank of Japan Governor Kazuo Ueda suggested that a rate hike could be on the table** as early as December, partly due to the recent decline in the yen [link](#).



Commodities

Natural Gas Prices Ease Amid Rising Output and Tight Supply Concerns

US natural gas prices fell to \$3.1/MMBtu from a one-year high of \$3.35, driven by expectations of increased 2024 output amid rising LNG export capacity. Despite the drop, prices remain 20% higher in November due to **colder weather forecasts** and the start of the storage withdrawal season. EIA data showed a 3 billion cubic feet draw for the week ending November 15, as lower prices led to output cuts. Meanwhile, colder-than-usual temperatures across most of the US and rising LNG feed gas flows, spurred by European supply concerns, tightened domestic supply. [Link](#).

Natural gas (USD/MMBtu)



Source: Trading Economics



Palm Oil Prices Slide on Tariff Fears and Weak Demand Outlook

Malaysian palm oil futures fell over 1.5% to below MYR 4,700 per tonne, hitting a three-week low and marking their third straight session of losses. Prices are down nearly 8% this week, **pressured by fears of U.S. tariffs** on China and weaker demand as India secures ample supplies for November and December. Malaysian exports from November 1–20 dropped 1.38% month-on-month, while rising stock levels in Indonesia, driven by improved output, offered some relief. [link](#).

Palm Oil (MYR/T)



Source: Trading Economics



Stocks

From the international markets, Australian markets had the best WoW return, with a small 2.81% gain, while Russia again had a tough week, with a decline of -5.77%.

Main Equity Markets Movers WoW

Major	Price	Day	%	Weekly	Monthly	YTD
NZX 50	13042	▲ 277	2.17%	2.81%	1.99%	10.80%
GB100	8262	▲ 113	1.38%	2.46%	0.04%	6.84%
SENSEX	79117	▲ 1,961	2.54%	2.30%	-1.20%	9.52%
TSX	25444	▲ 54	0.21%	2.22%	3.54%	21.40%
SAALL	85608	▲ 86	0.10%	2.07%	-0.99%	11.33%
IPC	50437	▲ 267	0.53%	-0.19%	-3.27%	-12.11%
FR40	7255	▲ 42	0.58%	-0.20%	-3.23%	-3.82%
JP225	38284	▲ 258	0.68%	-0.93%	0.47%	14.40%
HK50	19230	▼ 371	-1.89%	-1.01%	-7.37%	12.80%
SHANGHAI	3267	▼ 103	-3.06%	-1.91%	-1.08%	9.82%
IT40	33495	▲ 200	0.60%	-2.04%	-3.47%	10.36%
MOEX	2581	▲ 12	0.48%	-5.77%	-5.63%	-16.72%

Source: Trading Economics

This week US markets had a good week overall, and looking at US Sectors, there was not a sector with negative return, **Material took home the biggest WoW return with 3.08%**, while **Health Care ended as the worst performer, with a still good 1.64% return.**

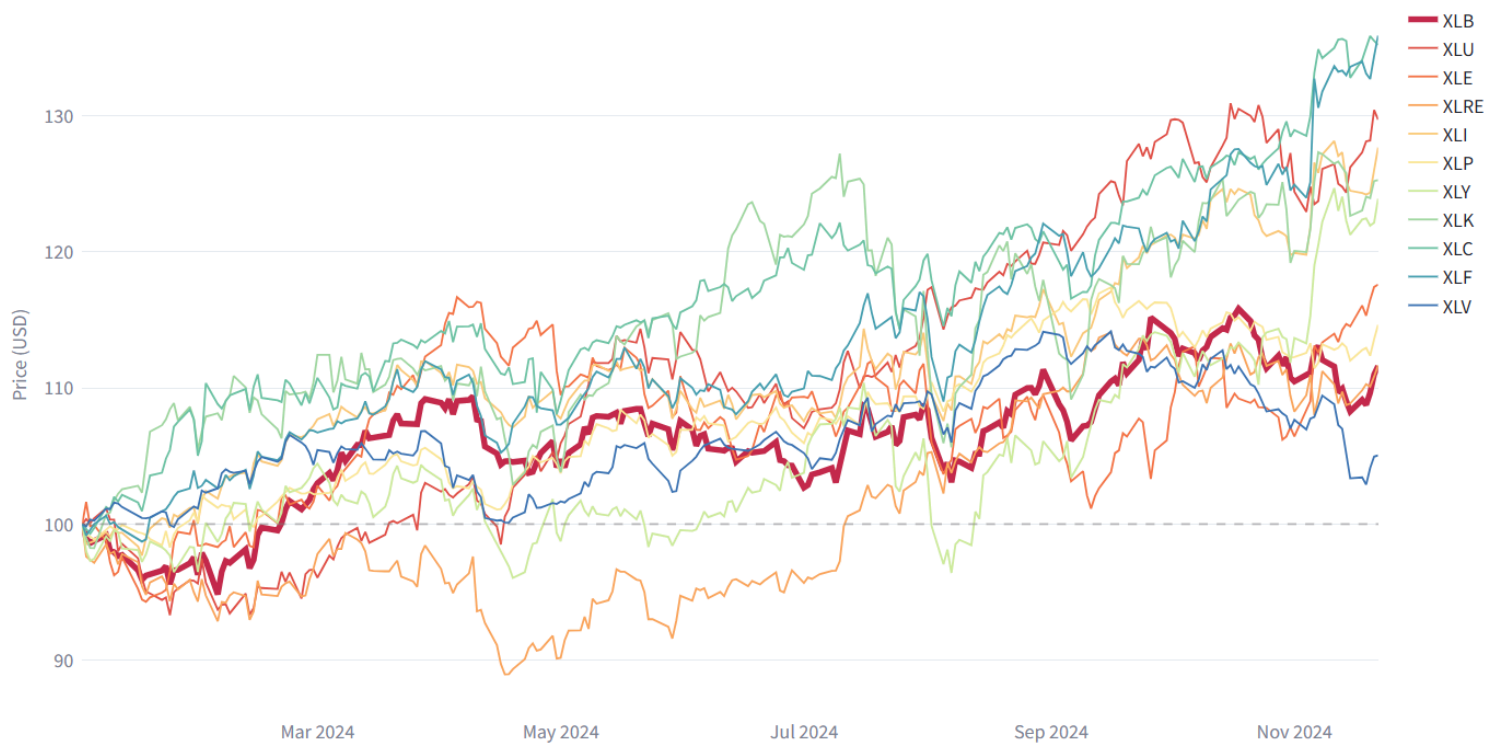


US Sector Performance

	WoW	YTD
Health Care (XLV)	1.64%	5.05%
Financials (XLF)	1.72%	35.90%
Communication Services (XLC)	1.82%	35.21%
Technology (XLK)	2.14%	25.27%
Consumer Discretionary (XLY)	2.18%	23.91%
Consumer Staples (XLP)	2.35%	14.64%
Industrials (XLI)	2.54%	27.66%
Real Estate (XLRE)	2.58%	11.68%
Energy (XLE)	2.68%	17.60%
Utilities (XLU)	2.78%	29.72%
Materials (XLB)	3.08%	11.61%

Source: FMP

US Sector Performance



Source: FMP



This week on earnings season

NVDA

- **Sustained Growth in AI Demand and Data Center Dominance:** Nvidia's data center business, fueled by demand for AI processors, remains its primary growth engine. Revenue in this segment grew 112% year-over-year, driven by products like the next-generation Blackwell AI chip, which is in full production and seeing strong demand. Sales of current-generation chips like the H200 also grew significantly. Despite supply constraints, Nvidia forecasts several billion dollars in Blackwell revenue in the fourth quarter, underscoring continued leadership in AI hardware.
- **Strong Financial Performance but Slowing Growth** Nvidia posted impressive financial results, with Q3 revenue rising 94% annually to \$35.08 billion, exceeding expectations. However, growth is slowing compared to the 265% annual growth seen a year ago. The Q4 revenue forecast of \$37.5 billion implies year-over-year growth of 70%, signaling a deceleration as the AI boom matures.
- **Diverse Revenue Streams and Expanding Markets** Nvidia's gaming segment reported \$3.28 billion in revenue, beating expectations due to rising GPU demand for PCs, laptops, and game consoles. Automotive and professional visualization segments, though smaller, also posted strong growth, driven by self-driving car chips and



robotics. This diversification underscores Nvidia's strategy to expand its footprint beyond AI and gaming.

Walmart

- **Improved Forecast Driven by Discretionary Spending and E-commerce Growth** Walmart raised its full-year sales growth forecast to 4.8%-5.1%, up from its prior range of 3.75%-4.75%. This is fueled by an increase in general merchandise sales, e-commerce revenue rising 22% year-over-year, and strong demand for curbside pickup and home delivery. Notably, 30% of U.S. online orders included fees for expedited delivery, indicating consumer willingness to pay for convenience, which contributes to e-commerce nearing profitability.
- **Strong Financial Performance and Consumer Engagement:** Walmart exceeded Wall Street expectations with revenue of \$169.59 billion and EPS of \$0.58. Comparable U.S. sales rose 5.3%, and Sam's Club sales grew by 7%. Transactions increased 3.1%, while average spending per visit grew 2.1%. These figures highlight Walmart's ability to attract more customers and drive higher spending despite a mixed economic environment.
- **Resilience Amid Inflation and Strategic Adaptability** While inflation remains a challenge, moderated grocery inflation and Walmart's focus on price-sensitive consumers have helped sustain growth. The



company has diversified supply chains to mitigate tariff risks and expanded its product offerings through its third-party marketplace. Holiday sales are off to a solid start, supported by strong performance in electronics and other discretionary categories, though unseasonably warm weather has dampened sales of seasonal items like clothing and heaters.

Snowflake

- **Robust Revenue Growth and Upgraded Guidance**

Snowflake delivered strong Q3 results, with revenue growing 28% year-over-year to \$942 million, surpassing expectations. The company raised its fiscal 2025 product revenue guidance to \$3.43 billion, indicating 29% growth, up from the previous \$3.36 billion forecast. This demonstrates Snowflake's confidence in sustained demand for its data analytics platform despite a challenging economic environment.

- **Operational Efficiency and Profitability Focus**

Snowflake is prioritizing cost-saving measures, including creating centralized teams and streamlining management layers, which are improving decision-making without major layoffs. It increased its full-year adjusted operating margin guidance to 5% (from 3% in August) and projects a 26% adjusted free cash flow margin. These improvements highlight a growing emphasis on operational efficiency and profitability.



- **Strategic Partnerships and Market Expansion**

Snowflake is expanding through strategic initiatives, including a multiyear partnership with Anthropic, signaling its intent to strengthen its position in AI-driven analytics. The company is also pursuing opportunities in the federal market, supported by its recent acquisition of Night Shift Development. Additionally, with \$3.9 billion in bookings through its collaboration with AWS, Snowflake continues leveraging key partnerships to drive growth.



Next Week's Earnings

	Company	Release Date	Exp. EPS	Time	MktCap (USD)	Country
ANCTF	Alimentation Couche-Tard Inc.	Mon, Nov 25	-	BMO	\$54,095	CA
A	Agilent Technologies, Inc.	Mon, Nov 25	\$1.41	AMC	\$38,545	US
ZM	Zoom Video Communications, Inc.	Mon, Nov 25	\$1.31	AMC	\$19,443	US
TNABY	Tenaga Nasional Berhad	Mon, Nov 25	-	--	\$16,639	MY
ADI	Analog Devices, Inc.	Tue, Nov 26	\$1.64	BMO	\$117,256	US
DELL	Dell Technologies Inc.	Tue, Nov 26	\$2.04	AMC	\$93,963	US
CRWD	CrowdStrike Holdings, Inc.	Tue, Nov 26	\$0.81	AMC	\$93,604	US
WDAY	Workday, Inc.	Tue, Nov 26	\$1.76	AMC	\$56,744	US
CMPGF	Compass Group PLC	Tue, Nov 26	-	BMO	\$48,279	GB
ADSK	Autodesk, Inc.	Tue, Nov 26	\$2.12	AMC	\$45,573	US
HPQ	HP Inc.	Tue, Nov 26	\$0.93	AMC	\$35,541	US
MIELY	Mitsubishi Electric Corporation	Tue, Nov 26	-	BMO	\$33,895	JP
BDORY	Banco do Brasil S.A.	Tue, Nov 26	\$0.29	--	\$29,684	BR
MLYBY	Malayan Banking Berhad	Tue, Nov 26	-	BMO	\$29,564	MY
SPLK	Splunk Inc.	Tue, Nov 26	-	AMC	\$26,444	US
BBY	Best Buy Co., Inc.	Tue, Nov 26	\$1.30	BMO	\$18,791	US
DKS	DICK'S Sporting Goods, Inc.	Tue, Nov 26	\$2.67	BMO	\$17,817	US
CNVCF	BioHarvest Sciences Inc.	Tue, Nov 26	-\$0.05	--	\$17,317	CA
FUIF	Fubon Financial Holding Co., Ltd.	Tue, Nov 26	-	BMO	\$16,789	TW

Crypto

Altcoins Take Center Stage as Bitcoin Approaches \$100,000 Milestone

This week Altcoins have taken the spotlight, riding on Bitcoin's momentum and broader positive market trends. **Stellar (XLM)** emerged as a standout performer, surging **48.42%** in a single day, **131.75% over the**



week, and an astonishing **427.39% over the past month**. The surge was fueled by growing optimism surrounding regulatory clarity in the USA.

Main Crypto Movers WoW

Crypto	Price	Day	%	Weekly	Monthly	YTD
Stellar	0.50745	▲ 0.16554	48.42%	131.75%	427.39%	295.50%
Polkadot	8.73	▲ 2.08	31.29%	50.91%	106.28%	5.89%
Algorand	0.29	▲ 0.04	14.50%	48.01%	136.27%	29.46%
Cardano	1.06558	▲ 0.06208	6.19%	43.72%	204.49%	78.04%
Polygon	0.58	▲ 0.08	17.14%	35.40%	61.90%	-40.71%
Ether	3425.23	▲ 97.03	2.92%	9.57%	35.25%	50.14%
Bitcoin	97932	▼ 695	-0.70%	7.51%	46.91%	130.46%
Binance	653.9	▲ 27.6	4.41%	4.94%	10.04%	109.25%
Litecoin	99.360	▲ 7.48	8.14%	4.78%	40.03%	34.86%

Source: Trading Economics

Polkadot (DOT) also captured attention, recording a **50.91% weekly gain** amid speculation surrounding its expanding ecosystem and advanced interoperability solutions. Meanwhile, **Cardano (ADA) and Algorand (ALGO)** saw **strong upward movements**, driven **by their** increasing roles in decentralized finance (**DeFi**) and **smart contract adoption**.



With the altcoin market showing robust performance and renewed interest, the evolving regulatory landscape may play a critical role in shaping the next phase of cryptocurrency adoption and growth. [link](#)

Stellar (XLM) Surges 131% Amid Regulatory Optimism

Over the past week, Stellar recorded a staggering **131.75% gain**, driven by growing optimism. The **announcement of SEC** Chair Gary Gensler's resignation acted as a significant catalyst for Stellar. **With ties to XRP**, a cryptocurrency at the center of the SEC's high-profile legal battles, Stellar benefited from heightened investor optimism about the possibility of a **more favorable regulatory environment**.

STELLAR / USD



Source: Trading Economics



Stellar's unique positioning as a blockchain designed for **peer-to-peer payments** has further solidified its status. While Ripple (XRP) focuses on cross-border institutional transactions, Stellar targets a more expansive peer-to-peer payment network, making it a key player in the evolving financial ecosystem. Historically, **Stellar and XRP** have demonstrated **synchronized price movements** due to their shared origins and complementary use cases. [link](#)

However, analysts caution that Stellar's rapid ascent may lead to a **near-term pullback**, as overbought conditions increase the likelihood of a **price correction**. Investors should closely monitor the potential for a **"break-and-retest"** pattern, where prices revisit key support levels before resuming their upward trajectory. [Link](#)



Bitcoin Hits New All-Time Highs, Driving Optimism in the Crypto Market

BTC / USD



Source: Trading Economics

Bitcoin is at a historic juncture, **nearing the crucial \$100,000 level** after reaching a new all-time high of \$99,500. **Over the past year**, Bitcoin has seen a **remarkable 300% increase**, driven by fundamental factors such as growing institutional demand, **over \$30 billion in net inflows** to Bitcoin ETFs, and optimism fueled by a more favorable regulatory environment.

The pro-crypto administration in the **USA** has bolstered market confidence by raising expectations for a **clearer regulatory framework**, with a less restrictive approach compared to recent years. Meanwhile, **China's legalization of cryptocurrencies has strengthened Bitcoin** as a global



financial asset, boosting adoption and cementing its role as a hedge against traditional financial systems. [link](#)

From a technical perspective, **Bitcoin's fourth halving** in April 2024 has acted as an **additional catalyst for the market**. This event, which halved mining rewards, has reduced the issuance of new Bitcoin, creating supply constraints that, combined with rising demand, have driven prices higher.

Additionally, the **imminent liquidation** of approximately \$1 billion in short positions **as Bitcoin approaches \$100,000 could alleviate selling pressure** and trigger a prolonged rally. However, analysts caution about potential short-term corrections, with key support levels anticipated around \$95,000 as some investors look to secure profits. [Link](#)

The Blockchain Association **urges President Trump to prioritize cryptocurrency reforms** in his first 100 days, advocating for a **supportive regulatory framework to foster innovation** and end the debanking of crypto companies. The Blockchain Association, a leading trade group representing over 100 crypto organizations, publicly appealed to President Trump and the newly elected Congress on November 22. The association **advocates for effective regulatory reforms to support the cryptocurrency industry**. After years of challenges, they hope for a **friendlier regulatory environment**. The association also criticized what it described as the “debanking” of crypto companies. It said **many have restricted access to traditional banking services**, making managing



operations such as paying employees and taxes difficult. It urged an end to this practice to **enable smoother operations for businesses in the sector** [link](#).

Weekly Paper Pick

Oversupply Could Mute Effects of Wider Middle-East Conflict on Oil Prices

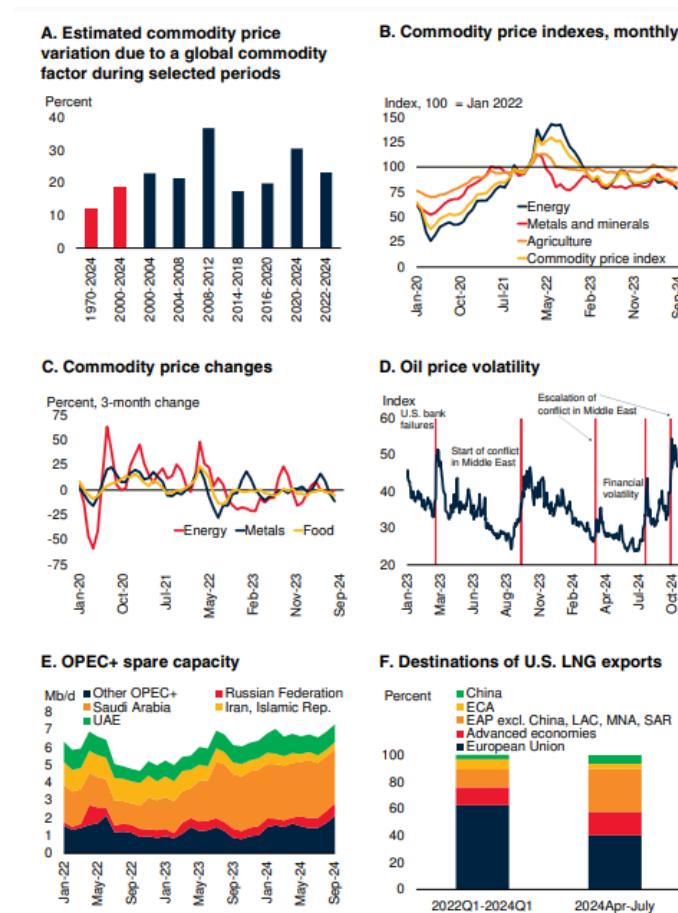
Link :

<https://www.worldbank.org/en/news/press-release/2024/10/29/commodity-markets-outlook-october-2024-press-release>

Commodity prices are expected to decrease by 5 percent in 2025 and 2 percent in 2026, after softening 3 percent this year. This would lead aggregate commodity prices to their lowest levels since 2020. The projected declines are led by oil prices but tempered by price increases for natural gas and a stable outlook for metals and agricultural raw materials. **The Brent crude oil price is projected to average \$80/bbl in 2024, before slipping to \$73/bbl in 2025 and \$72/bbl in 2026.** Thus, from their 2022 high, annual average oil prices are expected to decline for four consecutive years through to 2026, settling just slightly above their 2021 level.



The possibility of escalating conflict in the Middle East represents a substantial near-term upside risk to energy prices, with potential knock-on consequences for other commodities. However, over the forecast horizon, longer-term dynamics—including decelerating global oil demand, notably in China; diversifying oil production; and ample oil supply capacity held by OPEC+—suggest sizable downside risks to oil prices, especially if OPEC+ unwinds its latest production cuts. There are also two-sided risks to industrial commodity demand stemming from economic activity. On the one hand, concerted stimulus in China and above-trend growth in the United States could push commodity prices higher. On the other hand, weaker-than-anticipated global industrial activity could dampen them.



Sources: Bloomberg; International Energy Agency (IEA); U.S. Energy Information Administration (EIA); World Bank.



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