

Monthly Market Recap

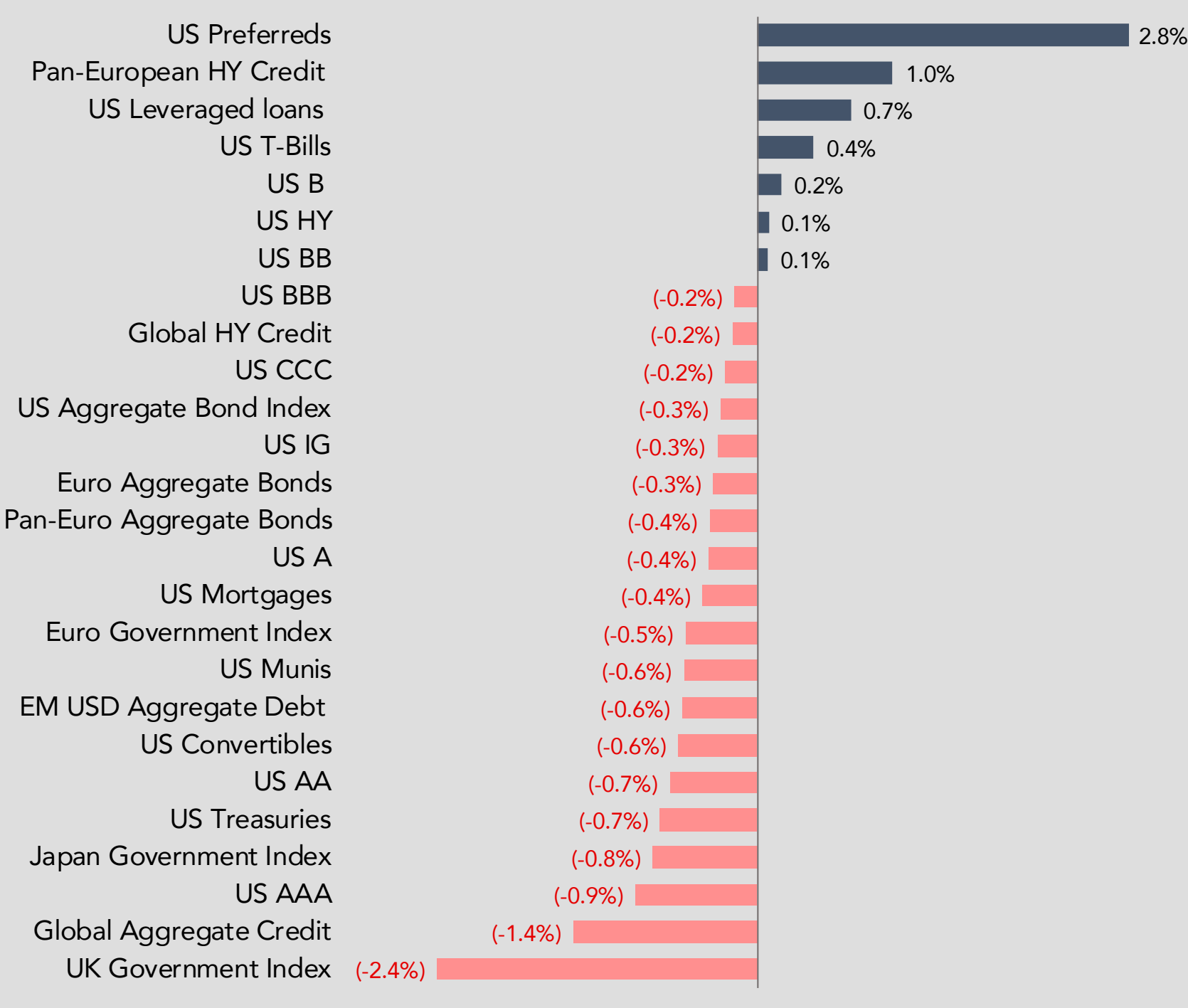


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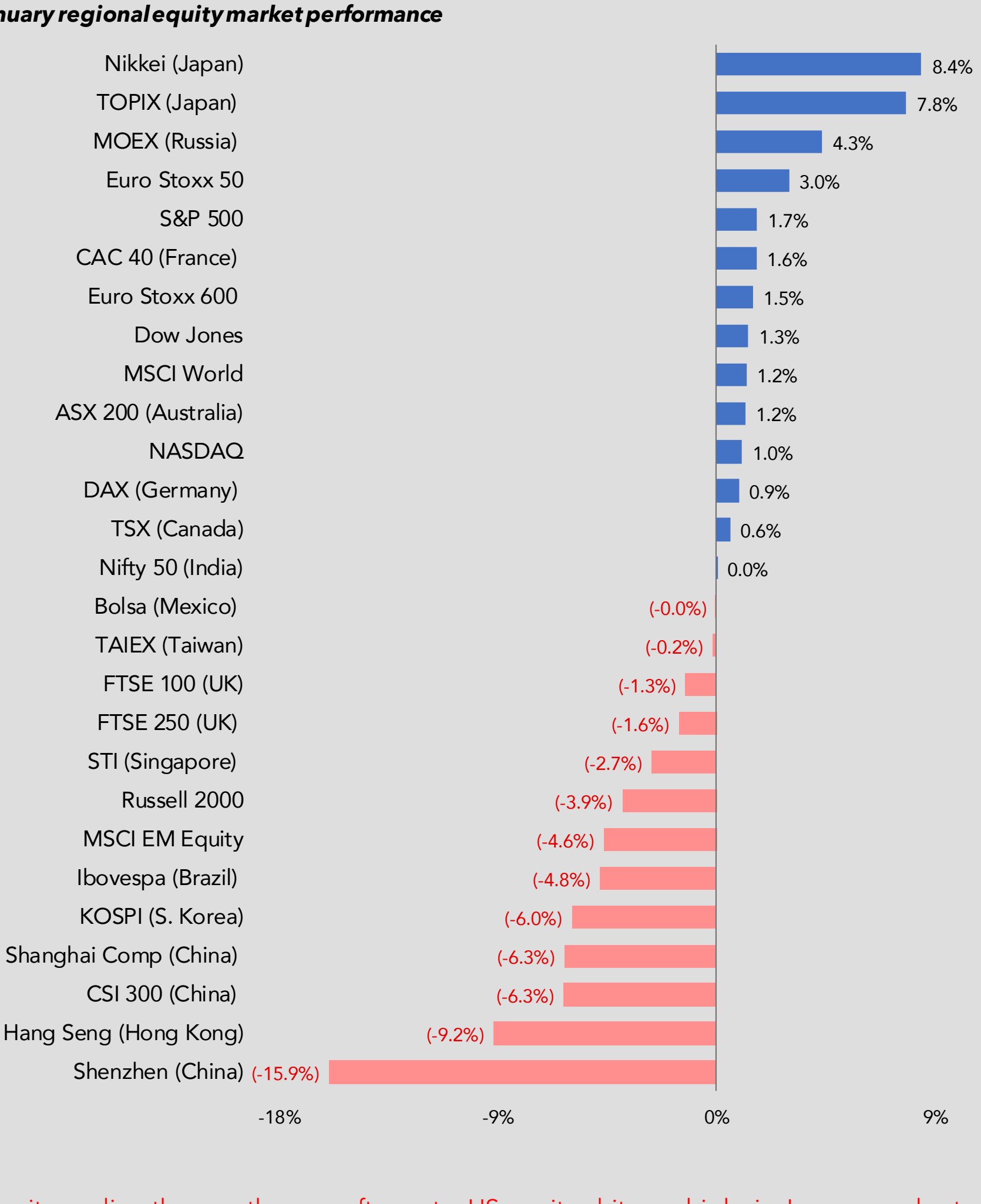
10 year US Treasuries ended January little changed from the start of the month. The full month performance, however, masks a roughly 30 bps low-to-high move as investors weighed the impact of mixed economic data on the timing of monetary policy easing. In credit, high quality tended to underperform high yield as spreads tightened across the rating spectrum. Despite weaker performance in secondary US credit markets, primary demand was robust in both IG and HY.

January credit total returns



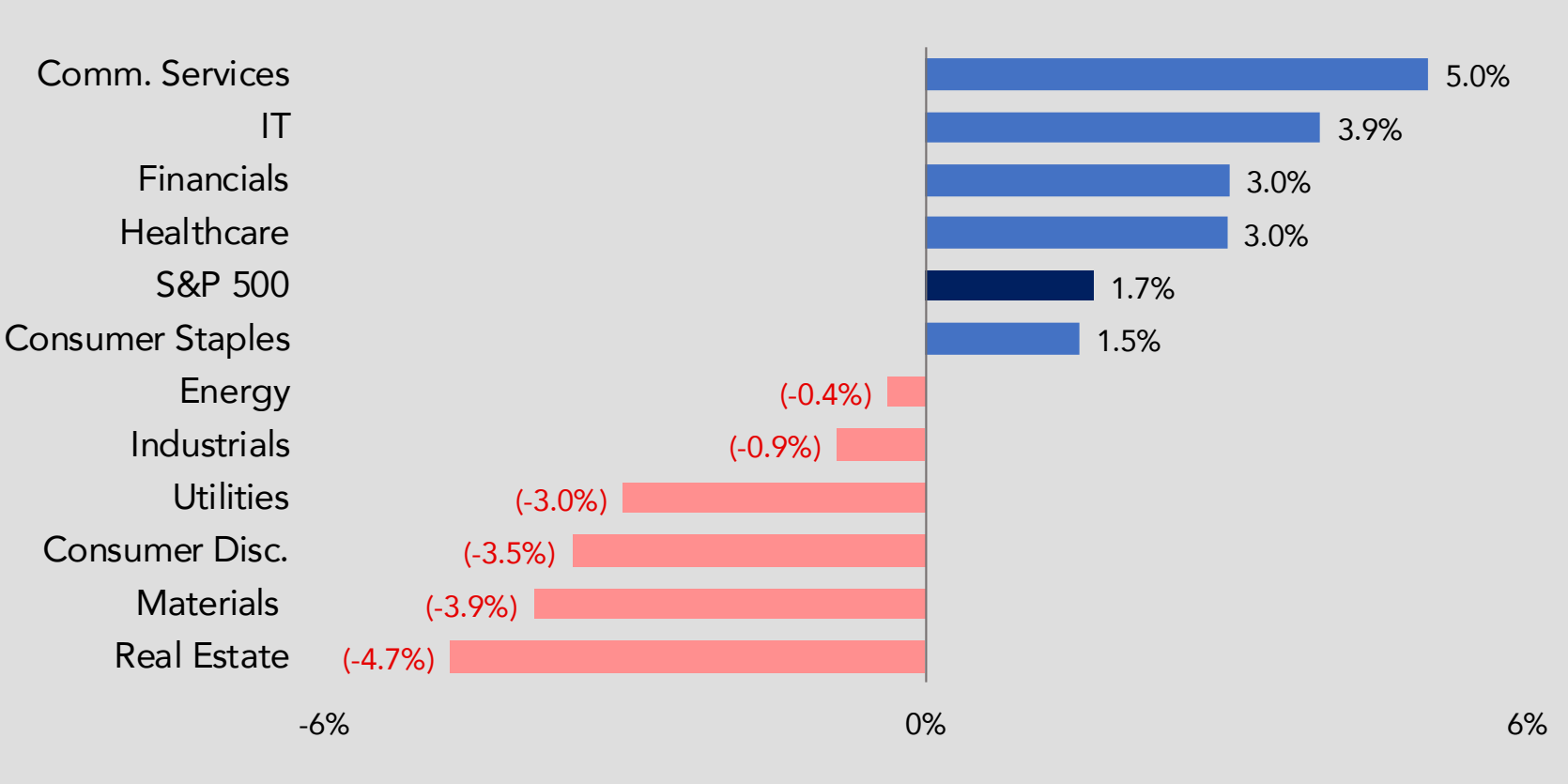
The Nikkei hit a 34 year high as Japanese equities outperformed global peers. On the other end of the performance spectrum, China's onshore and off-shore equity markets underperformed. China's equity market has lost over \$6 trillion in market capitalization over the last five years as President Xi Jinping tightens control over the private sector.

January regional equity market performance



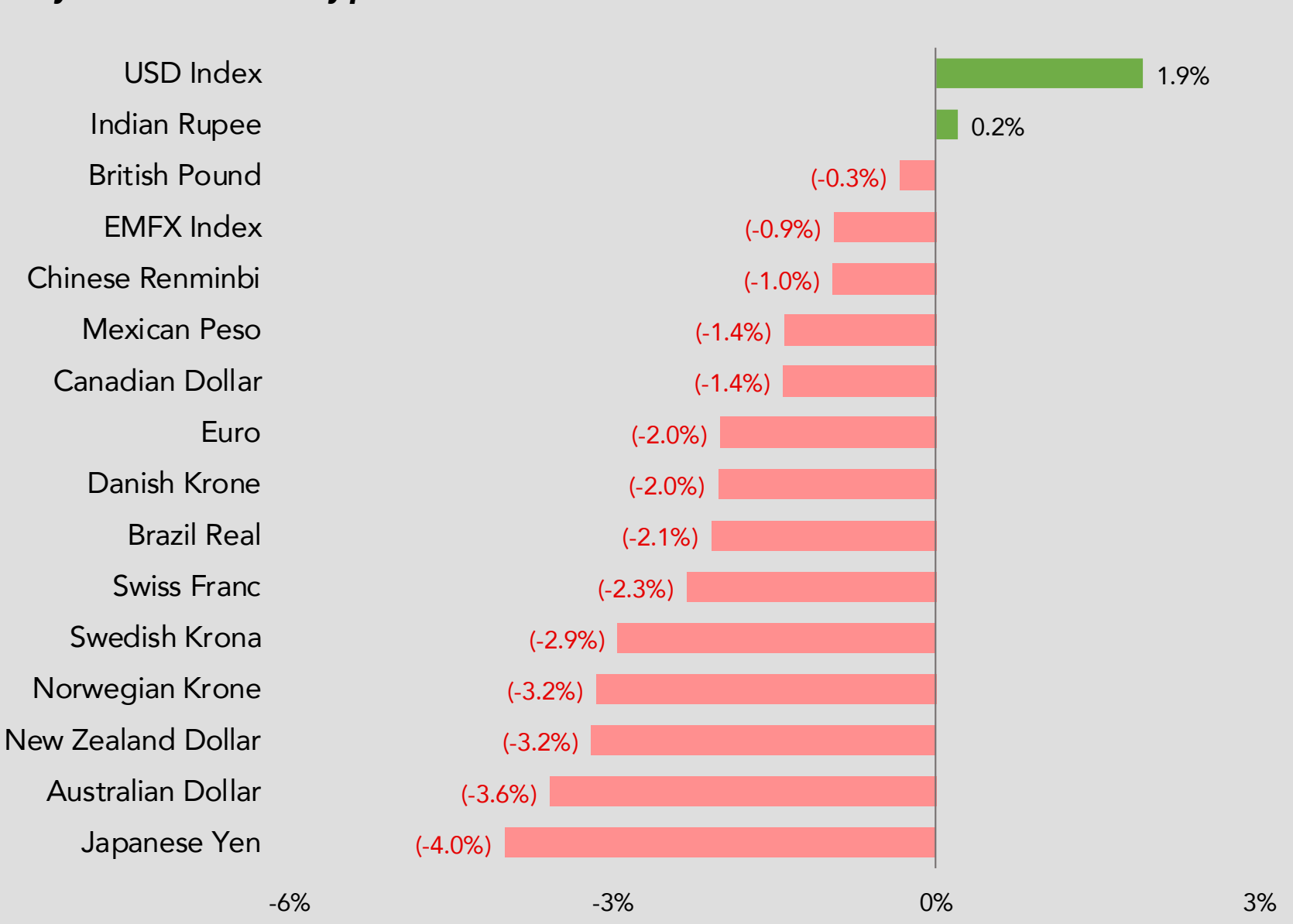
Despite ending the month on a softer note, US equities hit new highs in January and extended three straight months of gains. Sector by sector performance, however, was more mixed with only five of 11 sectors making positive gains in the month.

January S&P 500 industry sector performance



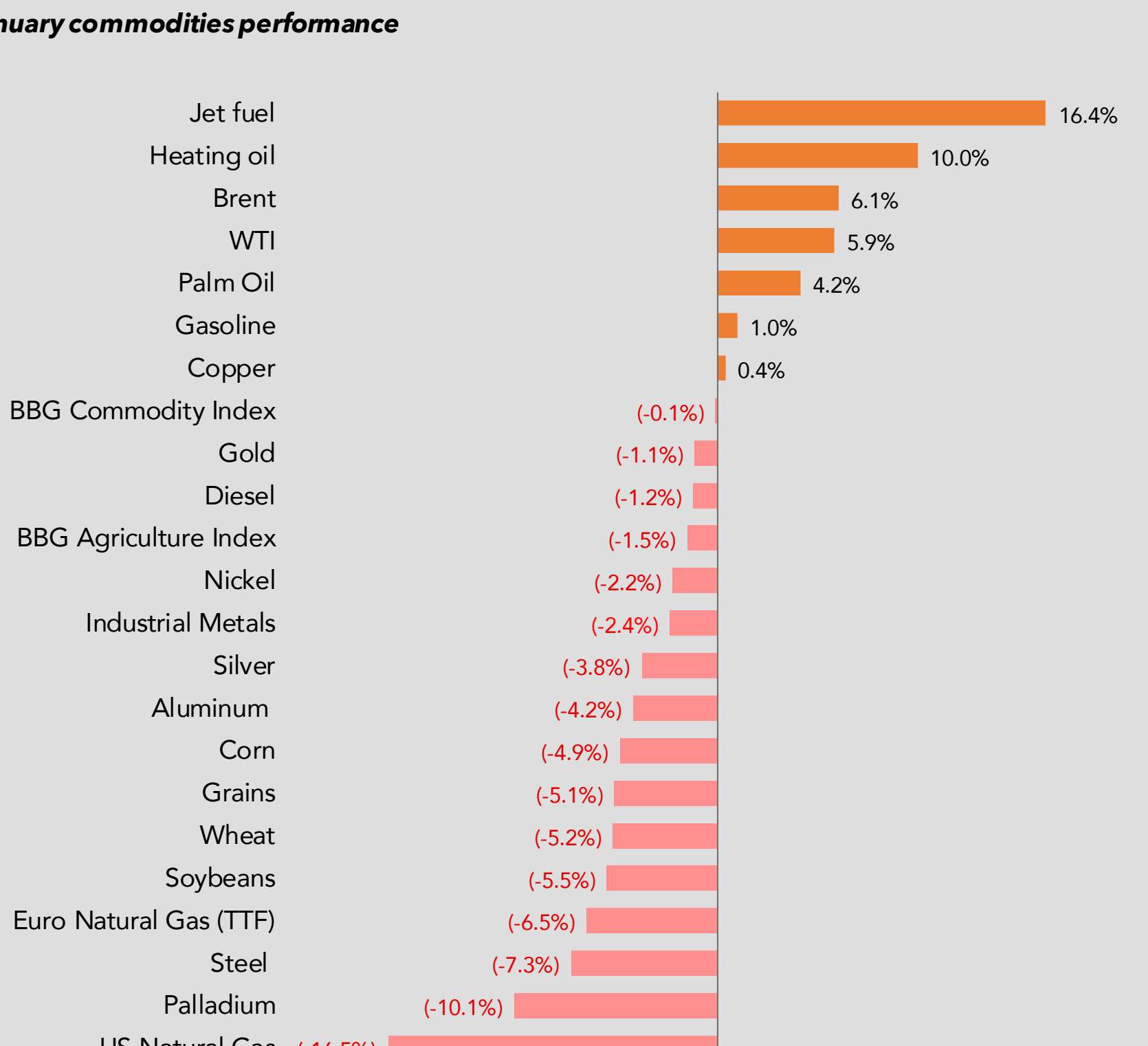
The US dollar outperformed in January as markets re-priced the timing of Fed easing and continued geopolitical tensions drove intermittent flights to quality. After strengthening into year end, the Yen was the worst performing major currency vs. the US Dollar. However, commentary from Governor Ueda at the January BoJ meeting drove some strengthening into month end.

January currencies monthly performance vs. USD



Oil prices finished the month in positive territory for the first time since September as tensions escalated in the Middle East and winter storms challenged production in parts of the US. Brent prices, however, are still hovering just slightly above the \$80 mark as demand uncertainty persists despite the perceived OPEC+ put. Natural gas, on the other hand underperformed in both the US and Europe due to high US production and mild European weather, respectively.

January commodities performance



Source: (1-5) Bloomberg. Data as of January 31, 2024. All values are total return for the month except commodities and currencies, which are price change. Commodities Index and Agriculture Index are total return.

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"Macro stability isn't everything, but without it, you have nothing."