

## Stock Selloff Deepens; Dollar Steady as Gold Gains: Markets Wrap

By **Samuel Potter**

4 febbraio 2018, 22:36 CET

Updated on 5 febbraio 2018, 14:49 CET

- European, Asian shares slide after S&P 500's tumble on Friday
- U.S. futures drop; Treasury yields steady as bunds rally

Global stocks extended the biggest selloff since 2016, with European and Asian equities slumping and futures pointing to another leg down for U.S. shares at the open. Treasuries and the dollar stabilized while oil fell and gold rose.

Futures for both the S&P 500 Index and Dow Jones Industrial Average dropped, signaling more losses to come. The Stoxx Europe 600 Index retreated for a sixth day in the longest losing streak since November, following similar moves across Asia as both regions took their cue from the U.S. rout on Friday. Yields on core government bonds in Europe fell, and those of 10-year Treasuries also edged lower. The pound slumped after data <https://www.bloomberg.com/news/articles/2018-02-05/u-k-services-slowdown-takes-shine-off-recent-economic-optimism> and the yen gained with other so-called safe-haven assets.



Equity investors are looking for confirmation that recent declines represent the healthy correction many had expected after the stellar start to the year, but moves today suggest the selloff isn't done yet. The fresh downward move was sparked by U.S. wage data on Friday that pointed to quickening inflation, which would lead to higher rates and therefore rising borrowing costs for companies.

### Normand Says It's Too Early in the Cycle for Inflation Surprises

---

It's "a bit early in the cycle" for inflation surprises," says JPMorgan's John Normand.  
Source: Bloomberg

Elsewhere, oil extended declines after U.S. explorers raised the number of rigs drilling for crude to the most since August. Bitcoin slid toward \$7,500.

Terminal users can read more in our markets blog.

Here are some key events scheduled for [this week](#) :

- Monetary policy decisions are due in Australia, Russia, India, Brazil, Poland, Romania, the U.K., New Zealand, Serbia, Peru, and the Philippines.
- Earnings season continues with reports from Bristol-Myers Squibb, Ryanair, Toyota Motor Corp., BNP Paribas, BP, General Motors, Walt Disney, SoftBank, Sanofi, Philip Morris, Total, Tesla, Rio Tinto, L'Oreal and Twitter.
- Dallas Fed President Robert Kaplan and New York Fed President William Dudley are among policy officials due to speak in Frankfurt and New York.

These are the main moves in markets:

### Stocks

- The Stoxx Europe 600 Index declined 1.3 percent as of 8:45 a.m. New York time, hitting the lowest in almost 12 weeks with its sixth consecutive decline.
- The MSCI World Index of developed countries decreased 0.5 percent, reaching the lowest in four weeks on its sixth consecutive decline.
- The MSCI Asia Pacific Index decreased 1.4 percent to the lowest in a month on the largest dip in almost 14 months.
- Japan's Nikkei 225 Stock Average sank 2.5 percent to the lowest in more than seven weeks on the biggest tumble in 15 months.
- The MSCI Emerging Market Index declined 1.2 percent to the lowest in three weeks.
- The U.K.'s FTSE 100 Index dipped 1.1 percent, reaching the lowest in two months on its fifth consecutive decline.
- Futures on the S&P 500 Index fell 0.3 percent to the lowest in four weeks.

### Currencies

- The Bloomberg Dollar Spot Index decreased less than 0.05 percent.
- The euro decreased 0.2 percent to \$1.2443.
- The British pound declined 0.5 percent to \$1.4045, the weakest in almost two weeks.
- The Japanese yen advanced 0.3 percent to 109.82 per dollar, the largest gain in more than a week.

### Bonds

- The yield on 10-year Treasuries fell one basis point to 2.83 percent.
- Germany's 10-year yield declined four basis points to 0.72 percent, the largest decrease in more than two months.
- Britain's 10-year yield declined two basis points to 1.554 percent, the first retreat in almost two weeks and the biggest drop in more than a month.

### Commodities

- West Texas Intermediate crude dipped 0.6 percent to \$65.08 a barrel.
- Gold advanced 0.3 percent to \$1,336.88 an ounce.

— *With assistance by Adam Haigh, and Natasha Doff*

---

[Terms of Service](#) [Trademarks](#) [Privacy Policy](#)  
©2018 Bloomberg L.P. All Rights Reserved  
[Careers](#) [Made in NYC](#) [Advertise](#) [Ad Choices](#) [Website](#) [Feedback](#) [Help](#)