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Powell Speech, Nvidia Halt, Meta Deal Shape U.S. Markets

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— *Categories: Finance*

U.S. stock futures edged lower Friday as investors awaited Federal Reserve Chair Jerome Powell's address at the annual Jackson Hole symposium, while major corporate developments involving Nvidia and Meta drew market attention.

Powell's remarks are expected to provide clarity on the central bank's stance toward interest rates for the remainder of the year. Investor expectations for a September rate cut have eased in recent days, with the probability of a 25-basis-point cut dropping from 99 percent last week to 71.5 percent, according to Investing.com's Fed Rate Monitor Tool.

The shift followed stronger-than-anticipated producer inflation data and cautionary comments from Federal Reserve officials. Kansas City Fed President Jeffrey Schmid, a voting member, warned that inflation remains above the Fed's 2% target, while Cleveland Fed President Beth Hammack suggested that persistent price pressures could delay a rate cut. Markets are also weighing concerns over stagflation, as growth shows signs of slowing while inflation stays elevated.

At 03:00 ET, S&P 500 futures were down 0.1%, Nasdaq 100 futures fell 0.3%, and Dow futures dipped 0.1%. All three major U.S. indexes are on track for weekly losses, with the Nasdaq Composite leading declines at 2.4%.

On the corporate front, Nvidia has reportedly asked suppliers, including Foxconn, Samsung Electronics, and Arizona-based Amkor Technology, to suspend production of its H20 chip, the most advanced product it can sell in China under current U.S. restrictions. The move follows heightened scrutiny from Chinese regulators, who raised concerns over potential

tracking capabilities in the hardware. Nvidia resumed H20 sales in July after earlier restrictions but is again facing production challenges.

Meanwhile, Meta Platforms has signed a \$10 billion deal with Alphabet's Google to use Google Cloud services over six years. The agreement underscores Meta's heavy investment in artificial intelligence infrastructure, as the company ramps up spending to support AI development. Last month, Meta raised its annual capital expenditure forecast to between \$66 billion and \$72 billion.

Elsewhere, crude oil prices were poised to break a two-week losing streak. Brent crude rose 0.1% to \$67.68 a barrel, while U.S. West Texas Intermediate crude climbed 0.1% to \$63.59. Both benchmarks gained more than 1% in the previous session, supported by a drawdown in U.S. crude stockpiles and uncertainty surrounding Russian supply amid stalled Ukraine peace negotiations.

With Powell's speech expected to set the tone for markets heading into the fall, investors remain cautious about the balance between inflation control and economic growth.