

16 August 2023

## Dow slides more than 300 points as bank names fall

- **Global markets.** Stocks fell Tuesday as concern over the state of the global economy — China in particular — and a decline in U.S. banks combined to pressure Wall Street. The Dow Jones Industrial Average slid 361.24 points, or 1.02%, ending at 34,946.39 and breaking a three-day positive streak. The S&P 500 pulled back by 1.16%, closing at 4,437.86 and ending the session below its 50-day moving average — a move that may signal the beginning of a downtrend. The Nasdaq Composite fell 1.14% to 13,631.05.

Financial stocks in the U.S. weakened Tuesday. Shares of JPMorgan Chase and Wells Fargo dropped 2%, and Bank of America dropped 3%. The action came after Fitch warned it may have to downgrade credit rating dozens of banks, including JPMorgan Chase. Last week, Moody's lowered its rating on 10 U.S. banks while putting other big institutions on a watchlist for potential downgrades.

Industrial production in China increased by 3.7% in July from the year-earlier period, missing expectations. Retail sales also grew less than expected, and the People's Bank of China lowered interest rates by 15 basis points to 2.5% from 2.65%. But that failed to soothe investor concerns and instead only heightened concern about China's struggling real estate market.

- **In earnings news.** A packed earnings week for the largest retailers kicked into gear Tuesday. Home Depot reported earnings per share and revenue that beat analyst expectations, pushing its stock slightly higher. Later in the week, traders will parse releases from Target and Walmart
- **In other markets.** Australian shares are poised to fall in line with broad losses across Europe and on Wall Street after China's latest data missed expectations and heightened worries about its economy's outlook. The local currency slid 0.5 per cent; the Bloomberg dollar spot index edged higher. The yield on the US 10-year note was 2 basis points higher to 4.21 per cent at 4.59pm in New York.

World Indices	Close	Prior	% Δ
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### Local Markets

All Ordinaries	7,520.4	7,568.5	-0.6%
ASX 200	7,305.0	7,357.4	-0.7%
ASX Emerging Companies	2,070.8	2,078.2	-0.4%

### US Markets

Dow Jones	34,946.4	35,176.2	-0.7%
S&P500	4,437.9	4,489.7	-1.2%
Nasdaq	15,037.7	15,128.8	-0.6%
Russell 2000	1,895.8	1,922.6	-1.4%

### Asian & European Markets

Shanghai Composite	3,176.2	3,254.6	-2.4%
Nikkei	32,238.8	32,204.3	0.1%
Hang Seng	18,581.1	19,248.3	-3.5%
FTSE 100	7,389.7	7,524.2	-1.8%
DAX 30	15,767.3	15,832.2	-0.4%
CAC 40	7,267.7	7,340.2	-1.0%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	2,972.2	2,971.2	0.0%
Communication Services	224.9	226.0	-0.5%
Consumer Discretionary	1,325.4	1,342.3	-1.3%

Economic Releases	Time	F'cast	Prior
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NZ - RBNZ Interest Rate Decision	12:00	5.5%	5.5%
Euro Area - GDP Growth Rate YoY	19:00	0.6	1.1

Key BW Names	Close	Prior	% Δ
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Alderaan Resources	0.008	0.008	0.0%
Elementos	0.140	0.140	0.0%
Frontier Energy	0.385	0.400	-3.8%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	81.04	82.82	-2.1%
Gold	1,901	1,912	-0.6%
Gold (Aus)	2,946	2,935	0.4%
Silver	22.52	22.70	-0.8%
Uranium (Spot)	57.35	56.75	1.1%
Tin (Futures)	25,325	26,457	-4.3%
Copper	3.68	3.77	-2.4%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,236.0	7,339.0	-1.4%
DXY Index	103.2	102.6	0.6%
AUD/USD	0.6454	0.6514	-0.9%
2-Year Treasury Yield (%)	4.959	4.844	11 bp
10-Year Treasury Yield (%)	4.217	4.109	11 bp
US 2-10-Year Spread	-0.742	-0.735	-1 bp
VIX Index	16.45	15.84	3.9%