

18 August 2023

Dow tumbles nearly 300 points as stocks fall and yields pop

- **Global markets.** Stocks slid for a third session on Thursday as investors digested the latest round of earnings and economic data, and as rates jumped to fresh highs. The Dow Jones Industrial Average dropped 290.91 points, or 0.84%, to close at 34,474.83. It was the first time the 30-stock Dow closed below the 50-day moving average since June 1, a potential warning sign of a downtrend. Meanwhile, the S&P 500 fell 0.77% and ended the session at 4,370.36. The Nasdaq Composite declined 1.17%, falling to 13,316.93.

The 10-year U.S. Treasury yield reached its highest point since October 2022 on Thursday. Rates are continuing to run higher after the Federal Reserve's July meeting minutes, released Wednesday, showed the central bank remains concerned about upside risk to inflation.

- **In earnings news.** Walmart declined more than 2% even after reporting an earnings and revenue beat in the fiscal second quarter. The company also raised its full-year guidance and underscored strength in grocery and online sales.

On a positive note, computer networking company Cisco Systems gained more than 3% on a better-than-expected quarterly earnings report.

- **In other markets.** Australian shares are poised to slip, taking direction from further selling in Europe and on Wall Street as investors rethink the outlook for US interest rates.

ASX futures were down 24 points or 0.34 per cent to 7071 points near 7am AEST. The S&P/ASX 200 Index shed 49 points on Thursday after the busiest day so far of the current reporting season.

Friday's reporting schedule includes: Allkem (AKE) | Centuria Capital (CNI) | Latitude (LFS) | Magellan (MFG)

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,364.4	7,411.8	-0.6%
ASX 200	7,146.0	7,195.2	-0.7%
ASX Emerging Companies	2,039.5	2,058.7	-0.9%

US Markets

Dow Jones	34,474.8	34,765.8	-0.8%
S&P500	4,370.4	4,404.3	-0.8%
Nasdaq	14,715.8	14,876.5	-1.1%
Russell 2000	1,850.1	1,871.5	-1.1%

Asian & European Markets

Shanghai Composite	3,150.1	3,176.2	-0.8%
Nikkei	31,625.9	31,766.8	-0.4%
Hang Seng	18,326.6	18,329.3	0.0%
FTSE 100	7,310.2	7,356.9	-0.6%
DAX 30	15,676.9	15,789.4	-0.7%
CAC 40	7,191.8	7,260.3	-0.9%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	2,917.5	2,945.9	-1.0%
Communication Services	220.9	222.2	-0.6%
Consumer Discretionary	1,287.8	1,308.6	-1.6%

Economic Releases	Time	F'cast	Prior
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Japan - Inflation Rate YoY	9:30	2.5%	3.3%
Euro Area - Core Inflation Rate YoY	19:00	5.5	5.5

Key BW Names	Close	Prior	% Δ
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Alderaan Resources	0.008	0.008	0.0%
Elementos	0.150	0.150	0.0%
Frontier Energy	0.375	0.375	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	80.01	79.24	1.0%
Gold	1,889	1,891	-0.1%
Gold (Aus)	2,950	2,945	0.2%
Silver	22.68	22.41	1.2%
Uranium (Spot)	58.00	57.35	1.1%
Tin (Futures)	26,066	25,186	3.5%
Copper	3.71	3.67	1.1%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,120.0	7,170.0	-0.7%
DXY Index	103.4	103.4	0.0%
AUD/USD	0.6403	0.6423	-0.3%
2-Year Treasury Yield (%)	4.933	4.969	-4 bp
10-Year Treasury Yield (%)	4.280	4.252	3 bp
US 2-10-Year Spread	-0.653	-0.717	6 bp
VIX Index	17.90	16.77	6.7%