

22 August 2023

## Nasdaq snaps 4 day losing streak, tech shares rise despite higher yields

- **Global markets.** The Nasdaq Composite snapped a four-day losing streak on Monday, even as Treasury yields reached levels not seen in over a decade.

The tech-heavy index gained 1.6% to close at 13,497.59, its biggest one-day advance since July 28, when it rallied 1.9%. The S&P 500 gained 0.69% to close at 4,399.77. The Dow Jones Industrial Average fell 0.11% to 34,463.69.

This week's main economic event is Federal Reserve Chair Jerome Powell's speech at Jackson Hole on Friday. The worry is that Powell will dash investors' hopes that the Fed has already hiked interest rates for the final time and that its next move will be to cut rates early next year.

The Fed has already pulled its main interest rate to its highest level since 2001 in an effort to grind down high inflation. High rates do that by slowing the entire economy bluntly and hurting prices for investments.

- **In earnings news.** Tuesday's reporting schedule includes: Alumina (AWC) | BHP (BHP) | Coles Group (COL) | G8 Education (GEM) | Hub24 (HUB) | Ingenia (INA) | Kogan (KGN) | Megaport (MP1) | Monadelphous (MND) | Monash IVF (MVF) | Nanosonics (NAN) | Redbubble (RBL) | Scentre Group (SCG) | Viva Energy (VEA) | Woodside (WPL)
- **In other markets.** The 10-year Treasury hit 4.35 per cent, the highest since November 2007 - before the collapse of Lehman Brothers almost a year later fully ushered in the Great Financial Crisis.
- **Futures.** Australian shares are set to open slightly up as the Nasdaq lifted Wall Street. US Treasury bonds hit a 15-year high. Seven London banks slashed their growth forecasts for China as the world's second-largest economy continued to slump.

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	7,335.9	7,411.8	-1.0%
ASX 200	7,115.5	7,195.2	-1.1%
ASX Emerging Companies	2,023.7	2,058.7	-1.7%

<u>US Markets</u>			
Dow Jones	34,463.7	34,765.8	-0.9%
S&P500	4,399.8	4,404.3	-0.1%
Nasdaq	14,936.7	14,876.5	0.4%
Russell 2000	1,856.0	1,871.5	-0.8%

<u>Asian &amp; European Markets</u>			
Shanghai Composite	3,093.0	3,176.2	-2.6%
Nikkei	31,565.6	31,766.8	-0.6%
Hang Seng	17,623.3	18,329.3	-3.9%
FTSE 100	7,257.8	7,356.9	-1.3%
DAX 30	15,603.3	15,789.4	-1.2%
CAC 40	7,198.1	7,260.3	-0.9%

S&P500 Sectors	Close	Prior	% Δ
Information Technology	2,986.8	2,945.9	1.4%
Communication Services	220.5	222.2	-0.8%
Consumer Discretionary	1,298.4	1,308.6	-0.8%

Economic Releases	Time	F'cast	Prior
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Key BW Names	Close	Prior	% Δ
Lotus Resources	0.225	0.215	4.7%
Elementos	0.150	0.150	0.0%
Frontier Energy	0.375	0.375	0.0%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	80.17	79.24	1.2%
Gold	1,894	1,891	0.2%
Gold (Aus)	2,954	2,945	0.3%
Silver	23.31	22.41	4.0%
Uranium (Spot)	58.75	57.35	2.4%
Tin (Futures)	25,260	25,186	0.3%
Copper	3.75	3.67	2.2%

Other Markets	Close	Prior	% Δ
SPI200 Futures	7,135.0	7,170.0	-0.5%
DXY Index	103.3	103.4	-0.1%
AUD/USD	0.6413	0.6423	-0.2%
2-Year Treasury Yield (%)	5.007	4.969	4 bp
10-Year Treasury Yield (%)	4.342	4.252	9 bp
US 2-10-Year Spread	-0.665	-0.717	5 bp
VIX Index	17.14	16.77	2.2%