

24 August 2023

Stock futures climb as Nvidia beats Wall Street earnings estimates

- **Global markets.** S&P 500 futures climbed 0.5% while Nasdaq 100 futures gained 0.7%. Futures tied to the Dow Jones Industrial Average was little changed.

All eyes on Wall Street were keenly awaiting Nvidia's second-quarter results after the closing bell, and it didn't disappoint. The company earned \$2.70 per share after adjustments on \$13.51 billion in revenue. That topped the average analyst estimate from Refinitiv of \$2.09 per share in profits and \$11.22 billion in revenue. Interest in the chip stock catapulted its value to more than \$1 trillion.

On Wall Street, traders are growing more optimistic on US equities, according to Charles Schwab's Trader Sentiment Survey, which found 44 per cent are now bullish — up from 32 per cent in the second quarter. While 69 per cent of Schwab's trader clients still think it's likely that the US economy will officially enter a recession, that's down from 86 per cent in the previous quarter.

- **In earnings news.** Thursday's reporting schedule includes: Ansell (ANN) | ARN Media (A1N) | Auckland Airport (AIA) | Cleanaway (CWY) | E&P (EP1) | Insignia Financial (IFL) | Judo Bank (JDO) | Lovisa (LOV) | Medibank (MPL) | Nine (NEC) | Northern Star (NST) | Ramsay Health Care (RHC) | Redox (RDX) | Regal Partners (RPL) | Star Group (SGR) | Step One (STP) | South32 (S32) | Stockland (SGP) | Tabcorp (TAH) | TPG Telecom (TPG) | The Reject Shop (TRS) | Qantas (QAN) | Qube (QUB) | Whitehaven (WHC).
- **In other markets.** The yield on the US 10-year note was down 12 basis points, dropping below 5 per cent, as data showed American business activity barely expanded on subdued customer demand. The 10-year German rate slid 13 basis points as a contraction of private-sector activity in the euro area intensified.
- **Futures.** Australian shares are set to open higher as Wall Street continues an optimistic streak based on Nvidia's earnings result and US economic data boosted hopes for another pause in Fed rate rises.

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	7,367.6	7,411.8	-0.6%
ASX 200	7,148.4	7,195.2	-0.7%
ASX Emerging Companies	2,032.6	2,058.7	-1.3%

<u>US Markets</u>			
Dow Jones	15,728.4	34,765.8	-54.8%
S&P500	4,436.0	4,404.3	0.7%
Nasdaq	15,148.1	14,876.5	1.8%
Russell 2000	1,870.0	1,871.5	-0.1%

<u>Asian & European Markets</u>			
Shanghai Composite	3,078.4	3,176.2	-3.1%
Nikkei	32,010.2	31,766.8	0.8%
Hang Seng	17,845.9	18,329.3	-2.6%
FTSE 100	7,320.5	7,356.9	-0.5%
DAX 30	15,728.4	15,789.4	-0.4%
CAC 40	7,246.6	7,260.3	-0.2%

S&P500 Sectors	Close	Prior	% Δ
Information Technology	3,036.8	2,945.9	3.1%
Communication Services	225.1	222.2	1.3%
Consumer Discretionary	1,310.4	1,308.6	0.1%

Economic Releases	Time	F'cast	Prior
US - Jackson Hole Symposium	10:00		
US - Initial Jobless Claims	22:30	240k	239k

Key BW Names	Close	Prior	% Δ
Lotus Resources	0.235	0.215	9.3%
Elementos	0.145	0.150	-3.3%
Frontier Energy	0.375	0.375	0.0%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	78.52	79.24	-0.9%
Gold	1,916	1,891	1.3%
Gold (Aus)	2,955	2,945	0.3%
Silver	24.31	22.41	8.5%
Uranium (Spot)	58.75	57.35	2.4%
Tin (Futures)	26,112	25,186	3.7%
Copper	3.83	3.67	4.4%

Other Markets	Close	Prior	% Δ
SPI200 Futures	7,179.0	7,170.0	0.1%
DXY Index	103.4	103.4	-0.1%
AUD/USD	0.6480	0.6423	0.9%
2-Year Treasury Yield (%)	4.975	4.969	1 bp
10-Year Treasury Yield (%)	4.198	4.252	-5 bp
US 2-10-Year Spread	-0.777	-0.717	-6 bp
VIX Index	15.97	16.77	-4.8%