

25 August 2023

Stocks sell off Thursday as Nvidia led rally ends, Dow drops -300pts

- **Global markets.** Stocks fell sharply Thursday after a tech rally, sparked by stronger-than-expected Nvidia results, was short-lived. Traders also braced for a key speech from Federal Reserve Chairman Jerome Powell.

The Dow Jones Industrial Average closed 373.56 points lower, or 1.08%, at 34,099.42. The S&P 500 lost 1.35% to end the day at 4,376.31. The tech-heavy Nasdaq Composite shed 1.87% to 13,463.97.

Thursday marked the worst day for the Dow since March. The S&P 500 and Nasdaq had their biggest one-day loss since Aug. 2.

Nvidia shares reached an all-time high after the company reported quarterly earnings and revenue that exceeded lofty analyst expectations. The company also raised its guidance, with executives predicting third-quarter revenue would climb to \$16 billion, or a year-over-year increase of 170%. However, the stock closed just 0.1% higher.

- **In earnings news.** Electronic conveyancing business PEXA has posted a loss of \$22 million, from a gain of the same amount last year. It expects a group margin above 35 per cent next year, from 35 per cent in fiscal 2023.
- **In other markets.** U.S. Treasury yields climbed on Thursday as investors waited for signals on monetary policy from central bankers' comments at the Jackson Hole, Wyoming meeting on Friday. The yield on the benchmark 10-year Treasury note was higher at 4.241%, after hitting a 16-year high earlier this week.
- **Futures.** Australian shares are set to open lower after a Wall Street tech rally lost momentum and investors continued to fret over Jackson Hole. Bond yields rose. Two US Fed officials said the central bank could be close to done with rate rises. ASX futures were down 91 points or -1.3 per cent to 7039.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,400.6	7,411.8	-0.2%
ASX 200	7,182.1	7,195.2	-0.2%
ASX Emerging Companies	2,043.5	2,058.7	-0.7%

US Markets

Dow Jones	34,099.4	34,765.8	-1.9%
S&P500	4,376.3	4,404.3	-0.6%
Nasdaq	14,816.4	14,876.5	-0.4%
Russell 2000	1,846.3	1,871.5	-1.3%

Asian & European Markets

Shanghai Composite	3,082.2	3,176.2	-3.0%
Nikkei	32,287.1	31,766.8	1.6%
Hang Seng	18,212.2	18,329.3	-0.6%
FTSE 100	7,333.6	7,356.9	-0.3%
DAX 30	15,621.5	15,789.4	-1.1%
CAC 40	7,214.5	7,260.3	-0.6%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	2,971.5	2,945.9	0.9%
Communication Services	220.5	222.2	-0.8%
Consumer Discretionary	1,284.1	1,308.6	-1.9%

Economic Releases	Time	F'cast	Prior
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US - Jackson Hole Symposium	10:00		
US - Fed Chair Powell Speech	0:05		

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.225	0.215	4.7%
Elementos	0.140	0.150	-6.7%
Frontier Energy	0.380	0.375	1.3%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	78.85	79.24	-0.5%
Gold	1,916	1,891	1.3%
Gold (Aus)	2,987	2,945	1.4%
Silver	24.12	22.41	7.6%
Uranium (Spot)	58.75	57.35	2.4%
Tin (Futures)	26,125	25,186	3.7%
Copper	3.78	3.67	3.0%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,090.0	7,170.0	-1.1%
DXY Index	104.0	103.4	0.5%
AUD/USD	0.6417	0.6423	-0.1%
2-Year Treasury Yield (%)	5.025	4.969	6 bp
10-Year Treasury Yield (%)	4.241	4.252	-1 bp
US 2-10-Year Spread	-0.784	-0.717	-7 bp
VIX Index	17.21	16.77	2.6%