

15 September 2023

## ASX to leap. S&P500 rises in broad rally on soft landing bets

- **Global markets.** On Wall Street, the Dow was more than 330 points, putting 35,000 on its radar. The S&P 500 rallied back above the 4500 level. The VIX slid 4.9 per cent to finish at 12.82.

US retail sales increased more than expected in August, Reuters reported, as a surge in gasoline prices boosted receipts at service stations, but the trend in underlying spending on goods slowed as Americans grappled with higher inflation and borrowing costs.

Retail sales in the US rose 0.6 per cent last month. Data for July was revised lower to show sales advancing 0.5 per cent instead of the previously reported 0.7 per cent.

ECB raises rate to record high and signals end of rises With its 10th straight rate rise, the European Central Bank sent a clear message it was probably done with raising rates as economic growth slows.

- **In economic news.** Local: NZ BusinessNZ manufacturing PMI August at 8.30am.

Overseas data: China August industrial production and retail sales at 12pm; Eurozone trade balance July at 7pm; US import, export trade prices at 10.30pm, NY Empire manufacturing September; industrial production August, University of Michigan consumer sentiment September. TD Securities on the pending China data: "We expect China's August industrial production to improve to 4.1 per cent (consensus: 3.9 per cent) from 3.7 per cent last month.

- **In other markets.** The yield on the US 10-year note was 4 basis points higher to 4.29 per cent at 4.59pm in New York.
- **Futures.** ASX futures were up 87 points or 1.2% to 7282 near 7am AEST.

| World Indices          | Close   | Prior   | % Δ  |
|------------------------|---------|---------|------|
| <u>Local Markets</u>   |         |         |      |
| All Ordinaries         | 7,382.7 | 7,345.7 | 0.5% |
| ASX 200                | 7,186.5 | 7,153.9 | 0.5% |
| ASX Emerging Companies | 1,994.2 | 1,987.2 | 0.4% |

|                   |          |          |        |
|-------------------|----------|----------|--------|
| <u>US Markets</u> |          |          |        |
| Dow Jones         | 15,805.3 | 34,575.5 | -54.3% |
| S&P500            | 4,505.1  | 4,467.4  | 0.8%   |
| Nasdaq            | 15,473.9 | 15,348.5 | 0.8%   |
| Russell 2000      | 1,866.6  | 1,840.8  | 1.4%   |

|                                     |          |          |      |
|-------------------------------------|----------|----------|------|
| <u>Asian &amp; European Markets</u> |          |          |      |
| Shanghai Composite                  | 3,126.6  | 3,123.1  | 0.1% |
| Nikkei                              | 33,168.0 | 32,706.5 | 1.4% |
| Hang Seng                           | 18,047.9 | 18,009.2 | 0.2% |
| FTSE 100                            | 7,673.1  | 7,526.0  | 2.0% |
| DAX 30                              | 15,805.3 | 15,654.0 | 1.0% |
| CAC 40                              | 7,308.7  | 7,222.6  | 1.2% |

| S&P500 Sectors         | Close   | Prior   | % Δ  |
|------------------------|---------|---------|------|
| Information Technology | 3,045.8 | 3,024.6 | 0.7% |
| Communication Services | 232.2   | 229.5   | 1.2% |
| Consumer Discretionary | 1,379.2 | 1,367.2 | 0.9% |

| Economic Releases                | Time  | F'cast | Prior |
|----------------------------------|-------|--------|-------|
| CN - Housing Price Index YoY     | 11:30 |        |       |
| US - Michigan Consumer Sentiment | 0:00  |        |       |

| Key BW Names    | Close | Prior | % Δ  |
|-----------------|-------|-------|------|
| Lotus Resources | 0.270 | 0.250 | 8.0% |
| Elementos       | 0.140 | 0.140 | 0.0% |
| Frontier Energy | 0.350 | 0.350 | 0.0% |

| Commodities            | Close  | Prior  | % Δ   |
|------------------------|--------|--------|-------|
| Oil - West Texas Crude | 90.44  | 88.83  | 1.8%  |
| Gold                   | 1,910  | 1,905  | 0.3%  |
| Gold (Aus)             | 2,966  | 2,971  | -0.2% |
| Silver                 | 22.64  | 22.83  | -0.8% |
| Uranium (Spot)         | 68.00  | 64.00  | 6.3%  |
| Tin (Futures)          | 25,688 | 25,524 | 0.6%  |
| Copper                 | 3.82   | 3.78   | 1.1%  |

| Other Markets              | Close   | Prior   | % Δ   |
|----------------------------|---------|---------|-------|
| SPI200 Futures             | 7,271.0 | 7,184.0 | 1.2%  |
| DXY Index                  | 105.3   | 104.8   | 0.6%  |
| AUD/USD                    | 0.6439  | 0.6421  | 0.3%  |
| 2-Year Treasury Yield (%)  | 5.016   | 4.971   | 4 bp  |
| 10-Year Treasury Yield (%) | 4.292   | 4.250   | 4 bp  |
| US 2-10-Year Spread        | -0.724  | -0.721  | 0 bp  |
| VIX Index                  | 12.81   | 13.47   | -4.9% |