

18 September 2023

## US stocks fall, volatility rises. Wall Street awaits Fed meeting

- **Global markets.** Shares dropped on Wall Street's final session of the week. After surging 25 per cent on its trading debut the previous session, Arm Holdings fell 4.5 per cent amid the broad sell-off in New York.

Investors are widely anticipating that the Fed will hold interest rates steady. However, traders will be keeping a close eye to get a better sense on the central bank's stance on inflation from here.

Recent inflation data came largely in-line with economists' expectations. While the producer price index gained more than expected, the [core PPI](#), which excludes food and energy, matched the estimate. The core consumer price index also increased slightly higher than expected in August, rising 0.3% month-over-month, against the estimate of 0.2%.

"Nothing screams 'bear market in conviction' more than money market funds seeing \$US1 trillion of inflows year-to-date," Bank of America investment strategist Michael Hartnett said in a note.

"We think markets may rally into [the] first negative [US] payroll print but this likely followed by slump on second negative payroll print."

In the latest weekly flow report, however, investors showed that there's no consensus yet. The funds data tracked by BofA showed that \$US25.3 billion flowed into global stocks in the week through September 13, the most since March 2022; \$US26.4 billion flowed into US equities alone. Mr Hartnett said it was a sign that "confidence in a soft landing" was rising.

- **In economic news.** N/A
- **In other markets.** The local currency edged lower; the Bloomberg dollar spot index was little changed. The yield on the US 10-year note rose 5 basis points to 4.33 per cent at 4.59pm in New York.
- **Futures.** ASX futures were down 41 points or 0.56% to 7250 near 7am AEST.

World Indices	Close	Prior	% Δ
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### Local Markets

All Ordinaries	7,482.6	7,382.7	1.4%
ASX 200	7,279.0	7,186.5	1.3%
ASX Emerging Companies	2,020.9	1,994.2	1.3%

### US Markets

Dow Jones	34,618.3	15,805.3	119.0%
S&P500	4,450.3	4,505.1	-1.2%
Nasdaq	15,202.4	15,473.9	-1.8%
Russell 2000	1,847.0	1,866.6	-1.1%

### Asian & European Markets

Shanghai Composite	3,117.7	3,126.6	-0.3%
Nikkei	33,533.0	33,168.0	1.1%
Hang Seng	18,182.9	18,047.9	0.7%
FTSE 100	7,711.4	7,673.1	0.5%
DAX 30	15,893.5	15,805.3	0.6%
CAC 40	7,378.8	7,308.7	1.0%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	2,986.6	3,045.8	-1.9%
Communication Services	229.7	232.2	-1.1%
Consumer Discretionary	1,353.3	1,379.2	-1.9%

Economic Releases	Time	F'cast	Prior
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Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.280	0.270	3.7%
Elementos	0.135	0.140	-3.6%
Frontier Energy	0.370	0.350	5.7%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	91.17	90.44	0.8%
Gold	1,923	1,910	0.7%
Gold (Aus)	2,990	2,966	0.8%
Silver	23.03	22.64	1.7%
Uranium (Spot)	68.00	68.00	0.0%
Tin (Futures)	25,703	25,688	0.1%
Copper	3.80	3.82	-0.5%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,243.0	7,271.0	-0.4%
DXY Index	105.3	105.3	0.0%
AUD/USD	0.6427	0.6439	-0.2%
2-Year Treasury Yield (%)	5.037	5.016	2 bp
10-Year Treasury Yield (%)	4.334	4.292	4 bp
US 2-10-Year Spread	-0.703	-0.724	2 bp
VIX Index	13.80	12.81	7.7%