

20 September 2023

## ASX to slip, stock futures unchanged ahead of Fed rate decision

- **Global markets.** Trading has been mostly quiet so far this week, seemingly on hold ahead of the Fed meeting. On Tuesday, the Dow shed just over 100 points, or 0.3%, while the S&P 500 and Nasdaq Composite dropped 0.2% each.

The muted moves come before the Federal Open Market Committee's policy decision, which is due out on Wednesday afternoon. The central bank is widely expected to hold rates steady, but investors will be paying close attention to the summary of economic projections and the press conference of Fed chair Jerome Powell for clues about what might happen in the months ahead.

Stock futures were calm on Tuesday evening as Wall Street geared up for the latest interest rate decision and economic update from the Federal Reserve.

Futures tied to the Dow Jones Industrial Average were flat. S&P 500 futures and Nasdaq 100 futures ticked up less than 0.1% each.

- **In economic news.** Local: Westpac leading index August at 10.30am.

Overseas data: NZ second quarter current account at 8.45am; UK August CPI at 4pm; US Federal Reserve policy statement at 4am AEST Thursday.

- **In other markets.** The **US five-year yield** rose to the highest level since 2007 after hotter-than-anticipated inflation data in Canada and rising oil prices added to global concerns about resurgent price pressures, Bloomberg report.

The yield on the US 10-year note rose 6 basis points to 4.36 per cent at 4.59pm in New York. The five-year was at 4.51 per cent.

US Treasuries are already at risk of a third straight year of losses, with the market down 0.3 per cent in 2023 through Monday, according to a Bloomberg index. Treasuries lost 12.5 per cent in 2022 after being in the red by 2.3 per cent the year prior.

- **Futures.** ASX futures were down 14 points or 0.2% to 7186 near 7am AEST.

World Indices	Close	Prior	% Δ
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### Local Markets

All Ordinaries	7,395.0	7,428.1	-0.4%
ASX 200	7,196.6	7,230.4	-0.5%
ASX Emerging Companies	1,988.3	2,001.0	-0.6%

### US Markets

Dow Jones	34,517.7	34,624.3	-0.3%
S&P500	4,443.9	4,453.5	-0.2%
Nasdaq	15,191.2	15,225.4	-0.2%
Russell 2000	1,826.5	1,834.3	-0.4%

### Asian & European Markets

Shanghai Composite	3,125.0	3,125.9	0.0%
Nikkei	33,242.5	33,533.0	-0.9%
Hang Seng	17,997.2	17,930.6	0.4%
FTSE 100	7,660.2	7,653.0	0.1%
DAX 30	15,664.5	15,727.1	-0.4%
CAC 40	7,282.1	7,276.2	0.1%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	2,998.4	3,000.7	-0.1%
Communication Services	230.3	230.3	0.0%
Consumer Discretionary	1,331.0	1,339.7	-0.6%

Economic Releases	Time	F'cast	Prior
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AU - Westpac Lending Index MoM	11:00		
US - Fed Interest Rate Decision	4:00	5.5%	5.5%

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.285	0.275	3.6%
Elementos	0.130	0.135	-3.7%
Frontier Energy	0.370	0.370	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	90.64	92.22	-1.7%
Gold	1,932	1,934	-0.1%
Gold (Aus)	2,992	3,004	-0.4%
Silver	23.20	23.27	-0.3%
Uranium (Spot)	68.00	68.00	0.0%
Tin (Futures)	26,183	25,703	1.9%
Copper	3.75	3.78	-0.8%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,181.0	7,206.0	-0.3%
DX Index	105.1	105.1	0.0%
AUD/USD	0.6456	0.6437	0.3%
2-Year Treasury Yield (%)	5.095	5.056	4 bp
10-Year Treasury Yield (%)	4.361	4.301	6 bp
US 2-10-Year Spread	-0.734	-0.755	2 bp
VIX Index	14.12	14.01	0.8%