

28 September 2023

## ASX to fall, \$A drops as US bond yields leap higher

- **Global markets.** The moves follow a mixed session on Wall Street. The S&P 500 and Nasdaq Composite added 0.02% and 0.2%, respectively, while the Dow finished 0.2% lower. Meanwhile, the 10-year U.S. Treasury yield hit a level not seen in more than 15 years in the session.

Friday marks the end of what has been a tough trading month and quarter. As of Wednesday's close, the Dow is poised to end 3.4% down on the month and 2.5% lower in the quarter. The S&P 500 is slated to finish the month down 5.2% and the quarter off by about 4%. The Nasdaq is on pace to finish the month and quarter losing 6.7% and 5%, respectively.

Investors will watch for economic data on jobless claims, home sales and the GDP on Thursday, before turning attention to the latest personal consumption expenditures price index reading due Friday. The PCE reading is the Federal Reserve's preferred inflation metric.

- **In economic news.** Today's agenda includes **August retail sales at 11.30am**. As well, **Brickworks** and **Washington H Soul Pattinson** both release earnings, according to Commsec. Imugene hosts an EGM. Companies paying dividends, including BHP, Commonwealth Bank, Fortescue Metals, Santos, Woodside Energy and Telstra.
- **In other markets.** The yield on the US 10-year note leapt 8 basis points to 4.61 per cent at 4.20pm in New York. It earlier reached 4.64 per cent, a fresh high from October 2007.  
  
The local currency was 0.7 per cent lower; it earlier fell below US63.40¢. The Bloomberg dollar spot index lifted 0.4 per cent.

- **Futures.** ASX futures were down 13 points or 0.18% to 7055 near 7.15am AEST, paring earlier losses of more than 40 points.

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	7,229.8	7,238.3	-0.1%
ASX 200	7,030.3	7,038.2	-0.1%
ASX Emerging Companies	1,923.6	1,932.6	-0.5%
<u>US Markets</u>			
Dow Jones	3,550.3	33,618.9	-89.4%
S&P500	4,274.5	4,273.5	0.0%
Nasdaq	14,580.2	14,545.8	0.2%
Russell 2000	1,778.9	1,761.6	1.0%
<u>Asian &amp; European Markets</u>			
Shanghai Composite	3,107.3	3,102.3	0.2%
Nikkei	32,371.8	32,315.1	0.2%
Hang Seng	17,611.9	17,466.9	0.8%
FTSE 100	7,593.2	7,625.7	-0.4%
DAX 30	15,217.4	15,255.9	-0.3%
CAC 40	7,071.8	7,074.0	0.0%
S&P500 Sectors	Close	Prior	% Δ
Information Technology	2,874.5	2,869.6	0.2%
Communication Services	221.3	220.1	0.5%
Consumer Discretionary	1,245.2	1,250.0	-0.4%
Economic Releases	Time	F'cast	Prior
AU - Retail Sales MoM	11:30	0.3%	0.5%
US - GDP Growth Rate QoQ	22:30	2.1%	2.0%
Key BW Names	Close	Prior	% Δ
Lotus Resources	0.260	0.255	2.0%
Elementos	0.130	0.135	-3.7%
Frontier Energy	0.335	0.320	4.7%
Commodities	Close	Prior	% Δ
Oil - West Texas Crude	93.78	90.51	3.6%
Gold	1,877	1,901	-1.3%
Gold (Aus)	2,956	2,973	-0.6%
Silver	22.54	22.85	-1.4%
Uranium (Spot)	72.15	71.00	1.6%
Tin (Futures)	26,012	25,888	0.5%
Copper	3.65	3.65	0.0%
Other Markets	Close	Prior	% Δ
SPI200 Futures	7,013.0	7,008.0	0.1%
DX-Y Index	106.2	105.8	0.3%
AUD/USD	0.6347	0.6395	-0.8%
2-Year Treasury Yield (%)	5.137	5.134	0 bp
10-Year Treasury Yield (%)	4.607	4.550	6 bp
US 2-10-Year Spread	-0.530	-0.584	5 bp
VIX Index	18.21	18.93	-3.8%