

12 October 2023

ASX to edge higher, \$A pares losses on cautious Fed

- **Global markets.** U.S. stock futures ticked up Wednesday night as investors looked toward new consumer inflation data for greater insight on the economy.

The major averages closed Wednesday's main trading with modest gains, marking a fourth consecutive winning session. The Dow advanced 0.2%, while the S&P 500 added 0.4%. The tech-heavy Nasdaq Composite climbed 0.7%, closing above its 50-day moving average for the first time since September.

The consumer price report for September will be released Thursday morning. Economists surveyed by Dow Jones are forecasting a 0.3% month-over-month increase, and 3.6% rise from the prior year. Investors believe that the strength of inflation indicated in the report will play a key part in whether the Federal Reserve decides to maintain or raise interest rates at its two-day meeting beginning Oct. 31.

- **In economic news.** Local: Consumer inflation expectations October at 11am

Overseas data: Japan August core machinery orders; US September CPI at 11.30pm

- **In other markets.** Oil prices eased; Exxon Mobil announced its biggest acquisition in decades. Birkenstock opened 11 per cent below its initial public offering price in its US debut, and closed down near 13 per cent.

The yield on the US 10-year note slipped 9 basis points to 4.56 per cent at 4.30pm in New York. While the yield has pulled back after surging through 4.8 per cent last week, it is still about 30 basis points higher over the last month.

The local currency slid 0.3 per cent, recovering after briefly falling below US\$64¢; the Bloomberg dollar spot index edged lower.

- **Futures.** ASX futures were up 6 points or 0.1% to 7124 near 7am AEDT, reversing earlier losses.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,281.3	7,231.0	0.7%
ASX 200	7,088.4	7,040.6	0.7%
ASX Emerging Companies	1,902.0	1,886.8	0.8%

US Markets

Dow Jones	33,804.9	33,739.3	0.2%
S&P500	4,376.9	4,358.2	0.4%
Nasdaq	15,241.1	15,131.5	0.7%
Russell 2000	1,775.9	1,756.0	1.1%

Asian & European Markets

Shanghai Composite	3,079.0	3,075.2	0.1%
Nikkei	32,015.0	31,746.5	0.8%
Hang Seng	17,893.1	17,664.7	1.3%
FTSE 100	7,629.6	7,628.2	0.0%
DAX 30	15,460.0	15,423.5	0.2%
CAC 40	7,131.2	7,162.4	-0.4%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	3,038.9	3,008.6	1.0%
Communication Services	234.2	231.7	1.1%
Consumer Discretionary	3,425.1	3,390.0	1.0%

Economic Releases	Time	F'cast	Prior
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AU - Consumer Inflation Expectations	11:00		4.6%
UK - GDP YoY	17:00	0.5%	0.0%

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.225	0.230	-2.2%
Elementos	0.130	0.130	0.0%
Frontier Energy	0.310	0.310	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	83.23	85.88	-3.1%
Gold	1,875	1,860	0.8%
Gold (Aus)	2,923	2,892	1.1%
Silver	22.05	21.83	1.0%
Uranium (Spot)	70.00	70.00	0.0%
Tin (Futures)	24,714	25,140	-1.7%
Copper	3.62	3.64	-0.5%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,094.0	7,073.0	0.3%
DX Index	105.7	106.1	-0.3%
AUD/USD	0.6410	0.6431	-0.3%
2-Year Treasury Yield (%)	4.986	4.967	2 bp
10-Year Treasury Yield (%)	4.558	4.657	-10 bp
US 2-10-Year Spread	-0.428	-0.310	-12 bp
VIX Index	16.10	17.02	-5.4%