

16 October 2023

ASX to fall, RBA in focus, US reporting season accelerates

- **Global markets.** Stocks are coming off a mixed session and week. The S&P 500 advanced 0.45% for its second consecutive positive week, while the Dow Jones Industrial Average gained 0.79%. The Nasdaq Composite lost about 0.2% for the week and fell 1.23% during Friday's session, while the S&P dipped 0.5% and the Dow inched up 0.12%.

Oil prices spiked more than 5% during Friday's session and posted their best day since April as the conflict between Israel and Hamas fuelled some fears related to oil production in the region.

Meanwhile, Wall Street assessed a slew reports from major financial firms, with JPMorgan Chase and Wells Fargo gaining 1.5% and 3%, respectively.

- **In economic news.** Local: Speech by Brad Jones, Assistant Governor (Financial System), at the AFR Cryptocurrency Summit, Sydney at 10.15am
Overseas data: Jana industrial production August; Eurozone trade balance August; UK Rightmove house prices October, US NY Empire manufacturing October

- **Earnings other markets .** US reporting season gathers momentum this week: Bank of America, Goldman Sachs, Morgan Stanley, Tesla, Netflix and a slew of regional banks are on the schedule.

The yield on the US 10-year note slid 8 basis points to 4.61 per cent in New York. The local currency slipped 0.3 per cent, falling below US63¢; the Bloomberg dollar spot index edged higher.

While oil surged more than 5 per cent on Friday, amid worries the conflict between Israel and Hamas could draw in Iran in particular, TD Securities said it's "too early" to bet on an extended rally.

TD said its current positioning analytics suggest that substantial buying activity could take place north of \$US90.50 a barrel in Brent, supporting continued strength and perhaps rising towards triple digits.

- **Futures.** ASX futures were down 30 points or 0.4% to 7045 over the weekend.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,243.5	7,287.4	-0.6%
ASX 200	7,051.0	7,091.0	-0.6%
ASX Emerging Companies	1,896.0	1,910.8	-0.8%

US Markets

Dow Jones	33,670.3	33,631.2	0.1%
S&P500	4,327.8	4,349.6	-0.5%
Nasdaq	14,995.1	15,184.1	-1.2%
Russell 2000	1,719.7	1,773.3	-3.0%

Asian & European Markets

Shanghai Composite	3,088.1	3,107.9	-0.6%
Nikkei	32,315.9	32,494.4	-0.5%
Hang Seng	17,813.5	18,238.2	-2.3%
FTSE 100	7,599.6	7,644.8	-0.6%
DAX 30	15,186.7	15,424.0	-1.5%
CAC 40	7,003.5	7,104.5	-1.4%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	2,995.8	3,042.1	-1.5%
Communication Services	228.5	231.6	-1.3%
Consumer Discretionary	1,252.2	1,270.7	-1.5%

Economic Releases	Time	F'cast	Prior
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AU - RBA Jones Speech	10:15		
US - Fed Harker Speech	1:30		

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.215	0.225	-4.4%
Elementos	0.130	0.130	0.0%
Frontier Energy	0.325	0.325	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	87.26	83.47	4.5%
Gold	1,923	1,868	2.9%
Gold (Aus)	3,049	2,960	3.0%
Silver	22.63	21.82	3.7%
Uranium (Spot)	70.00	70.00	0.0%
Tin (Futures)	25,087	24,919	0.7%
Copper	3.60	3.60	-0.1%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,023.0	7,039.0	-0.2%
DX Index	106.7	105.7	0.9%
AUD/USD	0.6300	0.6315	-0.2%
2-Year Treasury Yield (%)	5.058	5.071	-1 bp
10-Year Treasury Yield (%)	4.612	4.697	-9 bp
US 2-10-Year Spread	-0.446	-0.374	-7 bp
VIX Index	19.31	16.70	15.6%