

17 October 2023

Wall Street rallies as optimism over earnings outweigh higher rates, oil eases

- **Global markets.** The Dow Jones Industrial Average traded 314.25 points higher, or 0.93% to close at 33,984.54, marking its best day since September. The S&P 500 climbed 1.06% to end the day at 4,373.63, while the Nasdaq Composite added 1.2% to 13,567.98.

Nike and Travelers Companies led the Dow higher on Monday with advances of around 2.1%. All 11 S&P 500 sectors traded higher in the session.

Those results will follow a solid start to the reporting period. Brokerage Charles Schwab rallied 4.7% on Monday after surpassing Wall Street expectations for earnings per share in the third quarter. JPMorgan Chase, Wells Fargo and UnitedHealth rose Friday after posting their latest quarterly results.

- **In economic news.** Local: RBA board meeting minutes at 11.30am

Overseas data: NZ third quarter CPI at 8.35am; Eurozone ZEW expectations October; US September retail sales at 11.30pm, September industrial production, August business inventories, October NAHB housing market index

Earnings & other markets. Earnings season heats up this week with 11% of the S&P 500 slated to report results. Some notable names on deck include Johnson & Johnson, Bank of America, Netflix and Tesla

The yield on the US 10-year note was 9 basis points higher to 4.71 per cent at 4.59pm in New York.

The NYSE Fang + Index advanced 1.6 per cent with each of the mega techs rising, except Apple. The VIX tumbled 10.9 per cent to 17.21.

The local currency rebounded 0.7 per cent; the Bloomberg dollar spot index slipped 0.4 per cent.

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

World Indices	Close	Prior	% Δ
---------------	-------	-------	-----

Local Markets

All Ordinaries	7,214.6	7,243.5	-0.4%
ASX 200	7,026.5	7,051.0	-0.3%
ASX Emerging Companies	1,875.6	1,896.0	-1.1%

US Markets

Dow Jones	33,984.6	33,670.3	0.9%
S&P500	4,373.6	4,327.8	1.1%
Nasdaq	15,172.7	14,995.1	1.2%
Russell 2000	1,719.7	1,719.7	0.0%

Asian & European Markets

Shanghai Composite	3,073.8	3,088.1	-0.5%
Nikkei	31,659.0	32,315.9	-2.0%
Hang Seng	17,640.4	17,813.5	-1.0%
FTSE 100	7,630.0	7,599.6	0.4%
DAX 30	15,238.0	15,186.7	0.3%
CAC 40	7,022.2	7,003.5	0.3%

S&P500 Sectors	Close	Prior	% Δ
----------------	-------	-------	-----

Information Technology	3,025.0	2,995.8	1.0%
Communication Services	231.9	228.5	1.5%
Consumer Discretionary	1,272.8	1,252.2	1.6%

Economic Releases	Time	F'cast	Prior
-------------------	------	--------	-------

AU - RBA Meeting Minutes	11:30		
US - Retail Sales MoM	23:30	0.3%	0.6%

Key BW Names	Close	Prior	% Δ
--------------	-------	-------	-----

Lotus Resources	0.205	0.215	-4.7%
Elementos	0.130	0.130	0.0%
Frontier Energy	0.340	0.325	4.6%

Commodities	Close	Prior	% Δ
-------------	-------	-------	-----

Oil - West Texas Crude	86.93	87.26	-0.4%
Gold	1,919	1,923	-0.2%
Gold (Aus)	3,029	3,049	-0.7%
Silver	22.57	22.63	-0.3%
Uranium (Spot)	70.00	70.00	0.0%
Tin (Futures)	25,087	25,087	0.0%
Copper	3.60	3.60	0.0%

Other Markets	Close	Prior	% Δ
---------------	-------	-------	-----

SPI200 Futures	7,074.0	7,023.0	0.7%
DX Index	106.7	106.7	0.0%
AUD/USD	0.6336	0.6300	0.6%
2-Year Treasury Yield (%)	5.101	5.058	4 bp
10-Year Treasury Yield (%)	4.700	4.612	9 bp
US 2-10-Year Spread	-0.401	-0.446	4 bp
VIX Index	17.20	19.31	-10.9%