

19 October 2023

ASX to drop, oil rises, 10 year Treasury yield soars another 16 year high

- Global markets.** The Dow Jones Industrial Average slipped 332.57 points, or 0.98%, to finish at 33,665.08. The S&P 500 slid 1.34% to 4,314.60, while the Nasdaq Composite dropped 1.62% to 13,314.30. None of the three major indexes traded in positive territory at any point during the session.

In after-hours trading, electric vehicle juggernaut Tesla slid 1% after the company missed expectations on earnings and revenue in the third quarter. Tesla posted adjusted earnings of 66 cents per share on revenue of \$23.35 billion, while analysts polled by LSEG anticipated earnings of 73 cents per share on revenue of \$24.1 billion. Elsewhere, Netflix shares popped 12% in extended trading after the streaming giant posted third-quarter profit of \$3.73 per share, beating analysts' expectations of \$3.49 per share, according to LSEG.

On the other hand, Procter & Gamble rose 2.6% after beating analyst expectations for the quarter. Investors are now looking to Netflix and Tesla earnings expected after the bell on Wednesday.

Just over 10% of companies in the S&P 500 have reported results, according to FactSet. Of those that have already reported, about 78% have surpassed analyst expectations.

- In economic news.** Local: Labour force September at 11.30am
 TD Securities: "After the strong jobs report last month, we think job gains likely cooled to +18,000 (consensus: +20,000, August: +64,900) in September.
 Overseas data: US September existing home sales and leading index at 1am Thursday AEDT
- Earnings & other markets.** The 10-year Treasury yield climbed on Wednesday, breaking above 4.9% for the first time since 2007. Meanwhile, the average rate on the popular 30-year fixed mortgage rate just hit 8%, the highest level since 2000.
- Futures.** ASX futures were down 83 points or 1.2% to 7018 at 7am AEDT.

World Indices	Close	Prior	% Δ
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Local Markets			
All Ordinaries	7,265.7	7,244.4	0.3%
ASX 200	7,077.6	7,056.0	0.3%
ASX Emerging Companies	7,876.6	1,866.0	322.1%

US Markets			
Dow Jones	33,665.1	33,997.7	-1.0%
S&P500	4,314.6	4,373.2	-1.3%
Nasdaq	14,909.3	15,122.0	-1.4%
Russell 2000	1,728.8	1,747.1	-1.0%

Asian & European Markets			
Shanghai Composite	3,058.7	3,083.5	-0.8%
Nikkei	32,042.2	32,040.2	0.0%
Hang Seng	17,732.5	17,773.4	-0.2%
FTSE 100	7,588.0	7,675.2	-1.1%
DAX 30	15,094.9	15,251.7	-1.0%
CAC 40	6,966.0	7,029.7	-0.9%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	2,964.7	3,001.6	-1.2%
Communication Services	229.2	232.9	-1.6%
Consumer Discretionary	1,243.9	1,273.6	-2.3%

Economic Releases	Time	F'cast	Prior
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AU - Unemployment Rate	11:30	3.7%	3.7%
US - Fed Chair Powell Speech	3:00		

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.210	0.205	2.4%
Elementos	0.130	0.130	0.0%
Frontier Energy	0.330	0.335	-1.5%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	88.28	87.66	0.7%
Gold	1,949	1,923	1.4%
Gold (Aus)	3,078	3,021	1.9%
Silver	22.86	22.78	0.4%
Uranium (Spot)	70.37	70.00	0.5%
Tin (Futures)	25,370	25,242	0.5%
Copper	3.59	3.60	-0.2%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	6,998.0	7,078.0	-1.1%
DXY Index	106.2	106.2	0.0%
AUD/USD	0.6330	0.6366	-0.6%
2-Year Treasury Yield (%)	5.220	5.216	0 bp
10-Year Treasury Yield (%)	4.911	4.838	7 bp
US 2-10-Year Spread	-0.309	-0.378	7 bp
VIX Index	19.21	17.89	7.4%