

2 October 2023

Dow futures jump 150 points after lawmakers avert government shutdown

- **Global markets.** Shares in New York reversed early gains to finish mostly lower as the prospect of a federal government shutdown cast a shadow as did widening strike actions by autoworkers.

"September has lived up to its reputation as being a weak seasonal period for stocks," LPL Financial chief technical strategist Adam Turnquist said. "The S&P 500 is coming into month end with a loss of over 4 per cent and a decent amount of technical damage.

"The degree of oversold conditions reached this week is rare during an uptrend and historically points to a buying opportunity based on positive forward returns during commensurate periods," Mr Turnquist also said. "The market is also oversold and entering a strong seasonal period, as the fourth quarter has historically been the best quarter for the S&P 500."

- **This weeks economic news.** Michele Bullock will preside over her first RBA policy meeting as governor on Tuesday.

TD Securities said: "We don't expect her to rock the boat, leaving the cash rate on hold. This board meeting presents her first chance to make changes to the Statement. If there are changes or a re-wording of the Statement we are not expecting radical shifts, but expect the Statement to reiterate further tightening may be required."

The RBA's Financial Stability Review will be published on Friday.

The RBNZ holds a policy meeting on Wednesday; a hold decision is expected.

The fate of US data releases depends on whether a federal government shutdown begins, for which the odds continue to rise.

- **In other markets.** The yield on the US 10-year note was flat at 4.57 per cent at 4.59pm in New York. The 30-year yield was at 4.70 per cent.
- **Futures.** ASX futures were down 38 points or 0.54 per cent to 7048 near 7am AEST.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,249.7	7,229.8	0.3%
ASX 200	7,048.6	7,030.3	0.3%
ASX Emerging Companies	1,940.8	1,923.6	0.9%

US Markets

Dow Jones	33,507.5	3,550.3	843.8%
S&P500	4,288.0	4,274.5	0.3%
Nasdaq	14,715.2	14,580.2	0.9%
Russell 2000	1,785.1	1,778.9	0.3%

Asian & European Markets

Shanghai Composite	3,110.5	3,107.3	0.1%
Nikkei	31,857.6	32,371.8	-1.6%
Hang Seng	17,809.7	17,611.9	1.1%
FTSE 100	7,608.1	7,593.2	0.2%
DAX 30	15,386.6	15,217.4	1.1%
CAC 40	7,135.1	7,071.8	0.9%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	2,905.6	2,874.5	1.1%
Communication Services	222.2	221.3	0.4%
Consumer Discretionary	1,264.0	1,245.2	1.5%

Economic Releases	Time	F'cast	Prior
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US - ISM Manufacturing PMI	0:00		
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Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.275	0.260	5.8%
Elementos	0.130	0.130	0.0%
Frontier Energy	0.325	0.335	-3.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	90.99	93.78	-3.0%
Gold	1,848	1,877	-1.5%
Gold (Aus)	2,874	2,956	-2.8%
Silver	22.15	22.54	-1.7%
Uranium (Spot)	73.15	72.15	1.4%
Tin (Futures)	23,944	25,650	-6.7%
Copper	3.74	3.65	2.5%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,016.0	7,013.0	0.0%
DX Index	106.2	106.2	0.0%
AUD/USD	0.6432	0.6347	1.3%
2-Year Treasury Yield (%)	5.046	5.137	-9 bp
10-Year Treasury Yield (%)	4.575	4.607	-3 bp
US 2-10-Year Spread	-0.471	-0.530	6 bp
VIX Index	17.51	18.21	-3.8%