

26 October 2023

## S&P 500 falls more than 1% to close below 4,200 for first time since May, Nasdaq notches worst day since February

- **Global markets.** Australian shares are poised to slip. Wall Street is falling after mixed profit reports from Microsoft and Alphabet. Oil was volatile. The two-year bond yield rose to 5.12%.

Jerome Powell is set to give a key Federal Reserve speech at 7.30am AEDT. US GDP results are also expected. A Bloomberg survey of economists suggests GDP is projected to have grown at an annual rate of 4.5 per cent last quarter - that would be more than double the pace of the quarter before and the fastest pace since the end of 2021.

The S&P 500 dropped 1 per cent and the Nasdaq underperformed. Alphabet slid 9.1 per cent to a three-month low, as its cloud business suffered. It was the opposite for Microsoft, which jumped 2.7 per cent. Meta is due to report after the closing bell. Analysts expect its best results for two years.

It's been a big week for US earnings, with nearly one-third of the companies in the S&P 500 expected to post third-quarter results. So far, 146 of the S&P 500 have reported. Of those, 80% have delivered earnings above expectations. Analysts now see S&P 500 year-on-year earnings growth of 2.6% for the July-September period, up from 1.6% at the beginning of the month.

- **In stocks and economic news.** Local: Senate budget estimates; Import and export price indexes  
Overseas data: ECB policy decision; US GDP Q3; US core PCE; US durable goods; US pending home sales; Kansas City fed index

Today's AGMs: Challenger, Woolworths, Reliance Worldwide, APA, JB Hifi, Boral, South32, Wesfarmers, Austal

- **In other markets.** In the oil market, crude prices were holding relatively steady after slumping sharply earlier this week to take some pressure off inflation. A barrel of U.S. crude rose 2% to \$US85.39. Brent crude, the international standard, was up 2.2% at \$US89.10 per barrel.
- **Futures.** ASX futures down 22 points or -0.2% to 6845 near 5am AEDT

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

### Local Markets

|                        |         |         |      |
|------------------------|---------|---------|------|
| All Ordinaries         | 7,046.3 | 7,045.6 | 0.0% |
| ASX 200                | 6,854.3 | 6,856.9 | 0.0% |
| ASX Emerging Companies | 1,868.8 | 1,854.0 | 0.8% |

### US Markets

|              |          |          |       |
|--------------|----------|----------|-------|
| Dow Jones    | 33,035.9 | 33,141.4 | -0.3% |
| S&P500       | 4,186.8  | 4,247.7  | -1.4% |
| Nasdaq       | 14,381.6 | 14,745.9 | -2.5% |
| Russell 2000 | 1,679.5  | 1,665.9  | 0.8%  |

### Asian & European Markets

|                    |          |          |       |
|--------------------|----------|----------|-------|
| Shanghai Composite | 2,974.1  | 2,962.2  | 0.4%  |
| Nikkei             | 30,945.0 | 31,062.3 | -0.4% |
| Hang Seng          | 17,085.4 | 16,991.5 | 0.6%  |
| FTSE 100           | 7,399.4  | 7,389.7  | 0.1%  |
| DAX 30             | 14,892.2 | 14,880.0 | 0.1%  |
| CAC 40             | 6,915.1  | 6,893.7  | 0.3%  |

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

|                        |         |         |       |
|------------------------|---------|---------|-------|
| Information Technology | 2,900.0 | 2,934.8 | -1.2% |
| Communication Services | 218.4   | 232.1   | -5.9% |
| Consumer Discretionary | 1,182.3 | 1,211.4 | -2.4% |

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

|                              |       |      |      |
|------------------------------|-------|------|------|
| ECB - Interest Rates         | 23:15 | 4.5% | 4.5% |
| US - Durable Goods Order MoM | 23:30 | 1.7% | 0.2% |
| US - GDP QoQ                 | 23:30 | 4.3  | 2.1  |

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

|                 |       |       |       |
|-----------------|-------|-------|-------|
| Lotus Resources | 0.245 | 0.225 | 8.9%  |
| Elementos       | 0.125 | 0.130 | -3.8% |
| Frontier Energy | 0.325 | 0.335 | -3.0% |

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

|                        |        |        |       |
|------------------------|--------|--------|-------|
| Oil - West Texas Crude | 85.26  | 83.77  | 1.8%  |
| Gold                   | 1,979  | 1,970  | 0.5%  |
| Gold (Aus)             | 3,138  | 3,102  | 1.2%  |
| Silver                 | 22.86  | 22.90  | -0.2% |
| Uranium (Spot)         | 74.38  | 74.38  | 0.0%  |
| Tin (Futures)          | 25,091 | 24,890 | 0.8%  |
| Copper                 | 3.61   | 3.65   | -1.1% |

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

|                            |         |         |       |
|----------------------------|---------|---------|-------|
| SPI200 Futures             | 6,823.0 | 6,877.0 | -0.8% |
| DX Index                   | 106.5   | 105.6   | 0.9%  |
| AUD/USD                    | 0.6307  | 0.6353  | -0.7% |
| 2-Year Treasury Yield (%)  | 5.125   | 5.108   | 2 bp  |
| 10-Year Treasury Yield (%) | 4.961   | 4.819   | 14 bp |
| US 2-10-Year Spread        | -0.164  | -0.289  | 13 bp |
| VIX Index                  | 20.18   | 18.96   | 6.4%  |