

4 October 2023

Dow turns negative for 2023, US yields rocket higher on rates outlook

- **Global markets.** Futures tied to the 30-stock index slipped 22 points, or 0.1%. S&P 500 futures and Nasdaq 100 futures both also slipped about 0.1%.

The moves follows a losing session on Wall Street after job openings data indicated the labor market is still strong and bond yields marched higher. The Dow lost 1.3%, notching its worst session since March. The S&P 500 tumbled 1.4% and at one point hit its lowest level since June. The Nasdaq Composite ended 1.9% lower.

Those losses pulled the Dow into the red on the year: It's now off 0.4%. The S&P 500 and Nasdaq are up more than 10% and 24%, respectively, for 2023.

- **In economic news.** RBNZ policy decision at 12pm AEDT

Overseas data: Markit services PMI September for Eurozone, UK and US; Eurozone August retail sales and PPI at 8pm; US ADP employment at 11.15pm; August factory orders and durable goods orders and ISM services September at 1am Thursday.

- **In other markets.** The 10-year Treasury yield was last up 11 basis points to 4.793, after climbing to 4.8% earlier on Tuesday. The 30-year Treasury yield rose as high 4.924%, also the highest since 2007.

The 2-year Treasury yield, which is sensitive to expectations around where the Federal Reserve will set its own key borrowing rate, increased slightly to 5.144%.

The Australian dollar tumbled more than 1 per cent, briefly falling below US63¢; the Bloomberg dollar spot index was 0.2 per cent higher.

- **Futures.** ASX futures were down 35 points or 0.5 per cent to 6929 near 8.30am AEDT, tracking a weaker US sharemarket that sent the benchmark S&P 500 to a four-month low.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,141.0	7,235.5	-1.3%
ASX 200	6,943.4	7,033.2	-1.3%
ASX Emerging Companies	1,920.0	1,946.9	-1.4%

US Markets

Dow Jones	33,002.4	33,433.4	-1.3%
S&P500	4,229.5	4,288.4	-1.4%
Nasdaq	14,565.6	14,837.6	-1.8%
Russell 2000	1,727.2	1,756.8	-1.7%

Asian & European Markets

Shanghai Composite	3,110.5	3,110.5	0.0%
Nikkei	31,237.9	31,759.9	-1.6%
Hang Seng	17,331.2	17,809.7	-2.7%
FTSE 100	7,470.2	7,510.7	-0.5%
DAX 30	15,085.2	15,247.2	-1.1%
CAC 40	6,997.1	7,068.2	-1.0%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	2,890.6	2,944.2	-1.8%
Communication Services	222.3	225.5	-1.4%
Consumer Discretionary	1,234.7	1,267.6	-2.6%

Economic Releases	Time	F'cast	Prior
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RBNZ - Interest Rate Decision	12:00	5.5%	5.5%
US - ISM Services PMI	1:00		

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.240	0.270	-11.1%
Elementos	0.130	0.135	-3.7%
Frontier Energy	0.300	0.320	-6.3%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	89.42	88.60	0.9%
Gold	1,824	1,829	-0.3%
Gold (Aus)	2,893	2,873	0.7%
Silver	21.18	21.04	0.7%
Uranium (Spot)	73.15	73.15	0.0%
Tin (Futures)	23,944	23,944	0.0%
Copper	3.62	3.65	-0.8%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	6,900.0	6,936.0	-0.5%
DX Index	107.0	106.2	0.8%
AUD/USD	0.6300	0.6365	-1.0%
2-Year Treasury Yield (%)	5.145	5.108	4 bp
10-Year Treasury Yield (%)	4.795	4.658	14 bp
US 2-10-Year Spread	-0.350	-0.450	10 bp
VIX Index	19.78	17.60	12.4%