

15 November 2023

S&P 500 notches best day since April on soft inflation report

- **Global markets.** Stocks rallied Tuesday, building on their strong November gains, as Wall Street cheered new U.S. inflation data that raised hope of the Federal Reserve wrapping up its rate-hiking campaign.

The Dow Jones Industrial Average jumped 573 points, or 1.7%. The S&P 500 rallied 2.1%, briefly trading above the key 4,500 level. The Nasdaq Composite also traded 2.5% higher.

Tuesday's gains added to an already stellar performance this month for stocks. The S&P 500 and Dow are up 7.4% and 5.6%, respectively, in November. The Nasdaq is up 9.8%, on pace for its biggest one-month gain since January.

CPI was flat last month, while economists polled by Dow Jones expected a gain of 0.1% month over month. So-called core CPI, which strips out food and energy prices, was also lower than expected and the slowest in two years. This instilled optimism into the market that the Federal Reserve could finally end its rate-hiking campaign for good.

Following the report, fed-funds futures showed traders had removed any chance of a hike in December, from 14% odds prior.

- **In stocks and economic news.** Local: Third quarter wage price index at 11.30am

Overseas data: NZ September net migration at 8.45am; Japan third quarter GDP at 10.50am; China October industrial production and retail sales at 1pm; UK October CPI at 6pm; Eurozone September industrial production and trade balance; US October PPI and retail sales at 12.30am Thursday, NY Empire manufacturing index November

Earnings are expected from Aristocrat Leisure and Nufarm.

Annual meetings: Computershare, Flight Centre, HMC Capital, Imugene, Paladin Energy, Platinum Asset Management, SEEK and Tyro Payments.

- **In other markets.** The 10-year Treasury yield, which shocked stock investors by leaping over 5% in October, tumbled below 4.5% following the soft inflation report.
- **Futures.** ASX futures up 88 points or 1.3% to 7113 near 7am AEDT

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,207.1	7,145.0	0.9%
ASX 200	7,006.7	6,948.8	0.8%
ASX Emerging Companies	1,903.1	1,887.4	0.8%

US Markets

Dow Jones	34,803.2	34,337.9	1.4%
S&P500	4,494.3	4,411.5	1.9%
Nasdaq	15,808.3	15,482.8	2.1%
Russell 2000	1,705.5	1,705.3	0.0%

Asian & European Markets

Shanghai Composite	3,056.1	3,046.5	0.3%
Nikkei	33,192.0	32,776.0	1.3%
Hang Seng	17,396.9	17,426.2	-0.2%
FTSE 100	7,426.8	7,429.3	0.0%
DAX 30	15,614.4	15,345.0	1.8%
CAC 40	7,185.7	7,087.1	1.4%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	3,235.8	3,176.6	1.9%
Communication Services	234.8	231.5	1.4%
Consumer Discretionary	1,327.3	1,284.3	3.3%

Economic Releases	Time	F'cast	Prior
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JPY - DGP Growth Rate QoQ	10:50	-0.10%	1.2%
AU - Wage Index YoY	10:30	3.9%	3.6%
US -Retail Sales MoM	0:30	-0.3	0.7

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.280	0.265	5.7%
Elementos	0.120	0.120	0.0%
Frontier Energy	0.320	0.310	3.2%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	78.19	78.51	-0.4%
Gold	1,963	1,946	0.9%
Gold (Aus)	3,017	3,051	-1.1%
Silver	23.11	22.31	3.6%
Uranium (Spot)	75.00	75.00	0.0%
Tin (Futures)	24,923	24,603	1.3%
Copper	3.71	3.69	0.6%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,093.0	7,014.9	1.1%
DX Index	104.0	105.7	-1.5%
AUD/USD	0.6502	0.6378	1.9%
2-Year Treasury Yield (%)	4.821	5.033	-21 bp
10-Year Treasury Yield (%)	4.441	4.638	-20 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	14.09	14.77	-4.6%