

22 November 2023

ASX to slip, Wall Street lower as Fed indicates policy must stay restrictive

- **Global markets.** Stocks slid on Tuesday as traders assessed the latest Federal Reserve meeting minutes, where officials gave no indication of interest rate cuts.

The Dow Jones Industrial Average slipped 62.75 points, or 0.18%, to end at 35,088.29. The S&P 500 dipped 0.20%, closing at 4,538.19, while the Nasdaq Composite fell 0.59% to 14,199.98. Both the broad-market benchmark and the tech-heavy Nasdaq snapped a string of five consecutive winning days.

The Fed indicated that policy will need to remain “restrictive” amid concerns that inflation could be stubborn or tick higher. Policymakers left the benchmark rate at 5.25% to 5.5% at the conclusion of their Oct. 31-Nov. 1 meeting.

Fed funds futures pricing indicates near unanimity that the Federal Open Market Committee will hold steady at its upcoming December meeting, and is pricing in cuts starting in May.

- **In stock & economic news.** Webjet is poised to release earnings.

City Chic Collective, Downer EDI, Lovisa, Medibank Private, Netwealth, Pacific Smiles and Praemium all are set to host annual meetings. Nufarm shares trade ex-dividend.

Local: Westpac October leading index at 10.30am.

Overseas data: Eurozone consumer confidence November; US October durable goods orders, University of Michigan November consumer sentiment

- **In other markets.** Uranium prices topped \$US80 a pound for the first time in more than 15 years on renewed demand for nuclear power and disrupted supplies.
- Iron ore surged to its highest intraday price since February on Tuesday, with demand optimism growing as more details emerge about China’s latest economic stimulus drive, Bloomberg reported.
- **Futures.** ASX futures down 4 points or 0.1% to 7100 near 8am AEDT

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	7,289.3	7,268.7	0.3%
ASX 200	7,078.2	7,058.4	0.3%
ASX Emerging Companies	1,916.6	1,908.1	0.4%

<u>US Markets</u>			
Dow Jones	35,088.3	35,151.1	-0.2%
S&P500	4,538.2	4,547.4	-0.2%
Nasdaq	15,933.6	16,027.1	-0.6%
Russell 2000	1,783.3	1,807.1	-1.3%

<u>Asian & European Markets</u>			
Shanghai Composite	3,067.9	3,068.3	0.0%
Nikkei	33,179.0	33,402.0	-0.7%
Hang Seng	17,733.9	17,778.1	-0.2%
FTSE 100	7,482.0	7,496.4	-0.2%
DAX 30	15,900.5	15,901.3	0.0%
CAC 40	7,229.5	7,246.9	-0.2%

S&P500 Sectors	Close	Prior	% Δ
Information Technology	3,269.0	3,296.5	-0.8%
Communication Services	239.7	239.7	0.0%
Consumer Discretionary	1,325.8	1,330.8	-0.4%

Economic Releases	Time	F'cast	Prior
AU - Westpac Leading Index MoM	11:00		0.1%
US - MBA Mortgage Applications	23:00		2.8%
US - Durable Goods Orders MoM	0:30	-3.1	4.7

Key BW Names	Close	Prior	% Δ
Lotus Resources	0.305	0.300	1.7%
Elementos	0.115	0.115	0.0%
Frontier Energy	0.360	0.320	12.5%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	77.74	77.57	0.2%
Gold	1,998	1,977	1.1%
Gold (Aus)	3,048	3,015	1.1%
Silver	23.75	23.43	1.4%
Uranium (Spot)	81.25	81.00	0.3%
Tin (Futures)	24,878	24,852	0.1%
Copper	3.84	3.83	0.3%

Other Markets	Close	Prior	% Δ
SPI200 Futures	7,073.0	7,074.0	0.0%
DXY Index	103.4	103.8	-0.4%
AUD/USD	0.6555	0.6557	0.0%
2-Year Treasury Yield (%)	4.877	4.915	-4 bp
10-Year Treasury Yield (%)	4.395	4.422	-3 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	13.34	13.42	-0.6%