

27 November 2023

Dow closes 100 points higher, ASX to rise; October CPI data tops agenda

- Global markets.** The Dow Jones Industrial Average rose on Friday, as the major averages notched a four-week winning streak.

The 30-stock Dow rose 117.12 points, or 0.33%, to 35,390.15. Meanwhile, the S&P 500 ticked higher by 0.06% to end at 4,559.34. The Nasdaq Composite fell 0.11%, closing at 14,250.85.

Major retail shares rose slightly as Black Friday kicked off the holiday shopping season. Walmart and Target rose 0.9% and 0.74%, respectively, while Amazon ticked higher by 0.02%.

The moves come as Treasury yields this week hit multi month lows on hope inflation is cooling and the Federal Reserve may be done raising rates. The benchmark rate was up 6 basis points at around 4.476% on Friday.
- In economic news.** For local investors, the focus this week will be on the release of October's retail sales on Tuesday and the monthly CPI print on Wednesday. Here's what NAB is expecting from both of these key data points.

"For **retail sales** on Tuesday we pencil in a -0.4 per cent decline (consensus +0.2 per cent) after a strong October, with shifting seasons given Black Friday/Cyber Monday in November."

As for consumer prices: "We expect **the monthly CPI indicator** to fall to 5.2 per cent y/y in October, down from 5.6 per cent, with a further drop comfortably below 5 per cent likely in November. Fuel will subtract 0.3ppt from headline as the year-ago increase alongside the end of the fuel excise cut drops out, while measured travel prices are a key uncertainty. Electricity prices will also weigh, as newly eligible households benefit from energy subsidies."
- In other markets.** On Friday, Brent crude retreated to \$US80.58 a barrel, down from near \$US98 in late September, as the partial release of hostages in Gaza brought some relief to investors worried about the risk of a wider conflict.
- Futures.** ASX futures suggest shares will open 0.2 per cent higher, setting the stage for a strong recovery in November. The S&P/ASX 200 is on course for its biggest monthly jump since January, up 3.8 per cent.

World Indices	Close	Prior	% Δ
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Local Markets	Close	Prior	% Δ
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All Ordinaries	7,244.1	7,277.8	-0.5%
ASX 200	7,040.8	7,073.4	-0.5%
ASX Emerging Companies	1,896.9	1,898.7	-0.1%

US Markets	Close	Prior	% Δ
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Dow Jones	35,390.2	35,273.0	0.3%
S&P500	4,559.3	4,556.6	0.1%
Nasdaq	15,982.0	16,001.4	-0.1%
Russell 2000	1,807.5	1,795.5	0.7%

Asian & European Markets	Close	Prior	% Δ
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Shanghai Composite	3,041.0	3,043.6	-0.1%
Nikkei	33,736.0	33,451.8	0.8%
Hang Seng	17,559.4	17,734.6	-1.0%
FTSE 100	7,492.2	7,469.5	0.3%
DAX 30	16,029.5	15,957.8	0.4%
CAC 40	7,292.8	7,270.0	0.3%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	3,267.7	3,278.1	-0.3%
Communication Services	240.2	241.8	-0.7%
Consumer Discretionary	1,334.1	1,332.4	0.1%

Economic Releases	Time	F'cast	Prior
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AU - Retail Sales MoM	11:30	0.20%	0.9%
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Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.295	0.290	1.7%
Elementos	0.110	0.110	0.0%
Frontier Energy	0.370	0.360	2.8%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	75.13	76.76	-2.1%
Gold	2,002	1,989	0.7%
Gold (Aus)	3,038	3,041	-0.1%
Silver	24.33	23.63	3.0%
Uranium (Spot)	81.25	81.25	0.0%
Tin (Futures)	23,884	24,991	-4.4%
Copper	3.83	3.80	0.9%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,056.2	7,054.0	0.0%
DXY Index	103.4	103.6	-0.1%
AUD/USD	0.6579	0.6538	0.6%
2-Year Treasury Yield (%)	4.955	4.897	6 bp
10-Year Treasury Yield (%)	4.472	4.408	6 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	12.45	12.86	-3.2%