

3 November 2023

Dow jumps more than 550 points for best day since June as bond yields recede

- **Global markets.** Stocks gained Thursday as Treasury yields fell, with investors betting the Federal Reserve could be done raising rates for 2023.

The Dow Jones Industrial Average traded 564.5 points higher, or 1.7%, to settle at 33,839.08, garnering its best day since June. The S&P 500 added 1.89% and closed at 4,317.78, for its best day since April. It was also the first time the S&P 500 posted back-to-back gains of more than 1% since February. The Nasdaq Composite climbed 1.78% and settled at 13,294.19, marking its best session since July.

Data released Thursday morning showed easing inflation and a slowing labor market, adding to investor confidence that the Federal Reserve could be done raising rates. Labor costs unexpectedly dropped in the third quarter, the Labor Department said Thursday. And weekly jobless claims ticked higher to 217,000.

The Bank of England held rates for the second time at 5.25 per cent after nearly two years of rises. European shares advanced for a fourth day, set for their longest winning streak since July.

The rally was broad-based, with all 11 S&P 500 sectors ending the day in positive territory. Gains were led by energy and real estate, which both rose 3.1%.

- **In stocks and economic news.** US weekly jobless claims rose moderately but economists are looking to Friday, when the October jobs report comes out.

According to CommSec, Block and Macquarie Group issued earnings today. Coles, Downer EDI, Qantas and Zip are set to hold annual general meetings.

- **In other markets.** Bond yields declined, with the 10-year Treasury yield dropping by about 12 basis points to 4.668%. That comes after the benchmark yield topped 5% last month.

The market's "fear gauge" — the VIX — fell below 16 and breached a key technical level.

- **Futures.** ASX futures were up 1.2 per cent, or 85 points, to 6992 near 7:30am AEDT.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,095.0	7,024.6	1.0%
ASX 200	6,899.7	6,838.3	0.9%
ASX Emerging Companies	1,874.6	1,845.7	1.6%

US Markets

Dow Jones	33,839.1	33,274.6	1.7%
S&P500	4,317.8	4,237.9	1.9%
Nasdaq	14,919.5	14,664.9	1.7%
Russell 2000	1,669.7	1,669.7	0.0%

Asian & European Markets

Shanghai Composite	3,009.4	3,023.1	-0.5%
Nikkei	32,328.0	31,908.0	1.3%
Hang Seng	17,230.6	17,101.8	0.8%
FTSE 100	7,467.3	7,365.3	1.4%
DAX 30	15,143.6	14,923.3	1.5%
CAC 40	7,060.7	6,932.6	1.8%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	3,014.8	2,964.0	1.7%
Communication Services	223.8	221.8	0.9%
Consumer Discretionary	1,253.7	1,224.4	2.4%

Economic Releases	Time	F'cast	Prior
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US - Non Farm Payrolls	23:30		
US - ISM Services PMI	0:45		

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.265	0.265	0.0%
Elementos	0.115	0.120	-4.2%
Frontier Energy	0.295	0.310	-4.8%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	82.45	80.85	2.0%
Gold	1,986	1,982	0.2%
Gold (Aus)	3,086	3,100	-0.5%
Silver	22.76	22.95	-0.8%
Uranium (Spot)	75.00	75.00	0.0%
Tin (Futures)	23,908	24,079	-0.7%
Copper	3.71	3.69	0.7%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	6,980.5	6,883.6	1.4%
DXY Index	106.2	106.7	-0.5%
AUD/USD	0.6427	0.6393	0.5%
2-Year Treasury Yield (%)	4.996	4.948	5 bp
10-Year Treasury Yield (%)	4.663	4.734	-7 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	15.65	16.86	-7.2%