

4 December 2023

ASX to rally as traders write of chances of December rate rise

- Global markets.** The S&P 500 soared to a closing high for 2023 on Friday, extending November's rally into the new month. The broad market index rose by 0.59%, ending the session at 4,594.63. The tech-heavy Nasdaq Composite advanced 0.55% to 14,305.03. The Dow Jones Industrial Average added 294.61 points, or 0.82%, to close at 36,245.50.

The Dow rose to another new high on Friday, bringing its 2023 gain to nearly 9.4%, after it notched a new 2023 high and capped off its best month in more than a year.

The S&P 500 closed at its highest level since March 2022. Stocks bringing the broad market index to these heights include Ulta Beauty and Boston Properties, which rose 10.8% and 11.2%, respectively. Paramount popped 9.8%.

November's big rally was due in part to traders beginning to believe the Fed was done raising rates and that the central bank may even start cutting them in the first half of next year. The Fed next decides on rates on Dec. 13.

- In economic news.** N/A
- In other markets.** Yields fell as equities rallied during the day, even after Powell's cautious remarks as traders interpreted them as a signal that the central bank is at least done with hikes. The yield on the 10-year Treasury note fell more than 13 basis points to 4.213%.

Oil prices continued their slide on Friday amid disappointment with OPEC+ production cuts and as U.S. oil rigs rose slightly week over week.

The West Texas Intermediate contract for January fell \$1.89, or 2.49%, to \$74.07 a barrel, while the Brent crude contract for February declined \$1.98, or 2.45%, to \$78.88 a barrel. Oil has declined about 5% since Wednesday's close despite efforts by OPEC and its allies, OPEC+, to boost prices.

- Futures.** ASX futures up 65 points or 0.9% to 7154 near 6am AEDT

World Indices	Close	Prior	% Δ
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Local Markets			
All Ordinaries	7,285.1	7,297.7	-0.2%
ASX 200	7,073.2	7,087.3	-0.2%
ASX Emerging Companies	1,918.1	1,917.5	0.0%

US Markets			
Dow Jones	36,245.5	35,950.9	0.8%
S&P500	4,594.6	4,567.8	0.6%
Nasdaq	15,997.6	15,947.9	0.3%
Russell 2000	1,862.6	1,809.0	3.0%

Asian & European Markets			
Shanghai Composite	3,031.6	3,029.7	0.1%
Nikkei	33,431.4	33,522.0	-0.3%
Hang Seng	16,830.3	17,042.9	-1.2%
FTSE 100	7,529.4	7,468.3	0.8%
DAX 30	16,397.5	16,215.4	1.1%
CAC 40	7,346.2	7,310.8	0.5%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	3,278.6	3,273.1	0.2%
Communication Services	234.2	234.8	-0.2%
Consumer Discretionary	1,353.9	1,336.9	1.3%

Economic Releases	Time	F'cast	Prior
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AU - Home Loans MoM	11:30	0.80%	-0.1%
US - Factory Orders MoM	2:00	-2.6%	2.8%

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.290	0.290	0.0%
Elementos	0.100	0.098	2.0%
Frontier Energy	0.370	0.360	2.8%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	74.34	75.72	-1.8%
Gold	2,071	2,036	1.7%
Gold (Aus)	3,103	3,081	0.7%
Silver	25.47	25.27	0.8%
Uranium (Spot)	81.25	81.25	0.0%
Tin (Futures)	23,748	23,501	1.1%
Copper	3.91	3.85	1.6%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,137.0	7,065.0	1.0%
DX Index	103.2	103.5	-0.3%
AUD/USD	0.6671	0.6607	1.0%
2-Year Treasury Yield (%)	4.543	4.697	-15 bp
10-Year Treasury Yield (%)	4.197	4.336	-14 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	12.62	12.91	-2.2%