

13 December 2023

## ASX to open flat as US inflation prompts traders to trim rate cut bets

- Global markets.** Stocks climbed for a fourth session on Tuesday as Wall Street parsed through another round of inflation data in search for clues on when the Federal Reserve could start easing monetary policy.

The S&P 500 added 0.46% to close at 4,643.70, while the Dow Jones Industrial Average gained 173.01 points, or 0.48%, to 36,577.94. The Nasdaq Composite advanced 0.70% to 14,533.40.

All three major indexes touched new intraday 52-week highs on Tuesday, with the S&P 500 hitting its highest intraday level since January 2022. The tech-heavy Nasdaq and Dow touched their highest intraday levels since April and January of last year, respectively.

The consumer price index rose 3.1% in November year over year and 0.1% month over month. Economists polled by Dow Jones forecast a 3.1% annual increase. Month over month, they expected CPI to remain flat. Excluding food and energy, inflation rose in line with economists' expectations.

The report comes as investors try to end a strong year on a high note. The Dow, S&P 500 and Nasdaq Composite have six consecutive weeks of gains.

- In economic news.** Local: Mid year economic statement due at 10:30am  
 11.30am - Aug working arrangements, Aug characteristics of employment, Aug employee earnings, 2022-23 estimates of industry multifactor productivity, Microdata: 2014-23 characteristics of employment.
- In other markets.** After falling in the immediate aftermath of the CPI report, Treasury two-year yields reversed course and rose two basis points to 4.73 per cent. The S&P 500 fluctuated near 4600. The US dollar came off its lows. Swap traders slightly trimmed their expectations Fed rate cuts in 2024.
- Futures.** ASX futures down 1 points to 7247 near 7:10am AEDT

World Indices	Close	Prior	% Δ
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Local Markets	Close	Prior	% Δ
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All Ordinaries	7,446.4	7,384.7	0.8%
ASX 200	7,235.3	7,173.3	0.9%
ASX Emerging Companies	1,891.3	1,913.9	-1.2%

US Markets	Close	Prior	% Δ
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Dow Jones	36,578.0	36,117.4	1.3%
S&P500	4,643.7	4,585.6	1.3%
Nasdaq	16,354.3	16,022.5	2.1%
Russell 2000	1,881.3	1,868.3	0.7%

Asian & European Markets	Close	Prior	% Δ
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Shanghai Composite	3,003.4	2,966.2	1.3%
Nikkei	32,843.6	32,858.2	0.0%
Hang Seng	16,374.5	16,345.9	0.2%
FTSE 100	7,542.8	7,513.7	0.4%
DAX 30	16,791.8	16,629.0	1.0%
CAC 40	7,543.6	7,428.5	1.5%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	3,344.1	3,273.2	2.2%
Communication Services	235.5	237.9	-1.0%
Consumer Discretionary	1,376.6	1,363.5	1.0%

Economic Releases	Time	F'cast	Prior
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US - PPI MoM	0:30	0.10%	-0.5%
US - Fed Interest Rate Decision	6:00	5.5%	5.5%

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.280	0.275	1.8%
Elementos	0.105	0.090	16.7%
Frontier Energy	0.390	0.390	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	68.69	69.59	-1.3%
Gold	1,979	2,028	-2.4%
Gold (Aus)	3,017	3,072	-1.8%
Silver	22.77	23.80	-4.3%
Uranium (Spot)	85.00	82.00	3.7%
Tin (Futures)	24,359	24,585	-0.9%
Copper	3.79	3.80	-0.2%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,230.0	7,153.0	1.1%
DX Index	104.1	104.2	-0.1%
AUD/USD	0.6550	0.6600	-0.8%
2-Year Treasury Yield (%)	4.733	4.597	14 bp
10-Year Treasury Yield (%)	4.203	4.151	5 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	12.08	13.07	-7.6%