

14 February 2024

Dow tumbles 500 points, posts worst day after hot inflation report

- Global markets.** Stocks dropped on Tuesday after hotter-than-expected inflation data for January spiked Treasury yields and raised doubts that the Federal Reserve would be able to cut rates several times this year, a key part of the bull case for the equity market.

The Dow Jones Industrial Average lost 524.63 points, or 1.35%, to close at 38,272.75 in its worst session since March 2023 on a percentage basis. At its lows, the 30-stock index sunk 757.52 points, or 1.95%. The S&P 500 slid 1.37% to close at 4,953.17, while the Nasdaq Composite fell 1.8% to settle at 15,655.60.

The Russell 2000 also suffered, tumbling nearly 4% for its worst session since June 2022.

The consumer price index rose 0.3% in January from December. CPI was up 3.1% on an annual basis. Economists polled by Dow Jones expected CPI to have increased by 0.2% month over month in January and 2.9% from a year earlier.

Core prices, which exclude volatile food and energy components, rose 0.4% month over month and 3.9% from a year ago. Core CPI was expected to have increased 0.3% in January and 3.7% from a year earlier, respectively.

- In economic news.** No local data
 Overseas data: UK January CPI at 6pm; Eurozone fourth quarter GDP and December industrial production at 9pm
- In other markets.** The 2-year Treasury yield jumped above 4.66%, and the 10-year yield topped 4.32% following the CPI data. Tech shares including Microsoft and Amazon, which have steered the market run to record highs as rates declined, led the losses in trading Tuesday. Microsoft and Amazon each lost more than 2%.
- Futures.** ASX futures down 90 points or 1.2% to 7462 near 8am AEDT

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,847.8	7,860.3	-0.2%
ASX 200	7,603.6	7,614.9	-0.1%
ASX Emerging Companies	1,949.8	1,939.4	0.5%

US Markets

Dow Jones	38,272.8	38,797.4	-1.4%
S&P500	4,953.2	5,021.8	-1.4%
Nasdaq	17,600.4	17,882.7	-1.6%
Russell 2000	1,964.2	2,045.3	-4.0%

Asian & European Markets

Shanghai Composite	2,865.9	2,865.9	0.0%
Nikkei	37,963.9	37,438.0	1.4%
Hang Seng	15,746.6	15,746.6	0.0%
FTSE 100	7,512.3	7,587.0	-1.0%
DAX 30	16,880.8	17,037.4	-0.9%
CAC 40	7,625.3	7,689.8	-0.8%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	3,655.4	3,713.3	-1.6%
Communication Services	271.0	274.7	-1.3%
Consumer Discretionary	1,418.0	1,446.3	-2.0%

Economic Releases	Time	F'cast	Prior
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Euro - GDP Growth Rate QoQ	21:00	0.00%	-0.1%
USA - PPI MoM Final	0:30		

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.325	0.330	-1.5%
Elementos	0.105	0.095	10.5%
Frontier Energy	0.275	0.280	-1.8%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	77.76	76.94	1.1%
Gold	1,993	2,020	-1.3%
Gold (Aus)	3,088	3,093	-0.2%
Silver	22.12	22.69	-2.5%
Uranium (Spot)	104.00	103.00	1.0%
Tin (Futures)	27,299	26,367	3.5%
Copper	3.72	3.73	-0.3%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,462.0	7,584.0	-1.6%
DXY Index	104.1	104.1	0.0%
AUD/USD	0.6453	0.6531	-1.2%
2-Year Treasury Yield (%)	4.670	4.470	20 bp
10-Year Treasury Yield (%)	4.326	4.173	15 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	15.84	13.94	13.6%