

15 December 2023

ASX to rise; Dow hits record high, commodities jump, US dollar falls

- Global markets.** The Dow Jones Industrial Average closed higher on Thursday as the 10-year Treasury tumbled below 4% and a surprise gain in retail sales gave investors further confidence 2024 would bring a soft economic landing.

The 30-stock Dow closed at a record high, ending the day up 158 points, or 0.43% at 37,248.35. On Wednesday, it marked its first-ever close above 37,000. The S&P 500 added 0.26% to end the day at 4,719.55, while the Nasdaq Composite gained 0.19% to 14,761.56.

The 10-year Treasury note yield dropped below 4% for the first time since August as traders mounted bets on rate cuts for 2034. The move lower in interest rates follows the Dow's more than 1% jump on Wednesday to reach a record high above 37,000 after the Federal Open Market Committee indicated it may cut rates three times next year.

The S&P could soon join the Dow in record territory, as the index is less than 1.6% away from reaching its all-time close set in January of 2022. The Nasdaq is about 8% away from its closing record and roughly 9% further to go to reach its intraday record.

- In stock news.** Westpac boss Peter King has committed to visiting the Tiwi following concerns about consultation on Santos' Barossa project.

Elders had a big 63 per cent protest vote against its pay practices on Thursday after Mark Allison stayed on as CEO with higher pay.

National Australia Bank holds its AGM.

- In other markets.** Commodities also jumped across the board overnight as the US dollar extended its retreat against a basket of major currencies including the Australian dollar. Oil, gold, copper, iron ore, natural gas, and palladium are all higher. US Treasuries also came off session highs, following a jump that drove the 10-year yield below 4 per cent.
- Futures.** ASX futures up 43 points or 0.6% to 7441 near 7:10am AEDT

| World Indices | Close | Prior | % Δ |
|------------------------|---------|---------|------|
| <u>Local Markets</u> | | | |
| All Ordinaries | 7,599.4 | 7,469.1 | 1.7% |
| ASX 200 | 7,377.9 | 7,257.8 | 1.7% |
| ASX Emerging Companies | 1,932.7 | 1,887.7 | 2.4% |

| | | | |
|-------------------|----------|----------|------|
| <u>US Markets</u> | | | |
| Dow Jones | 37,248.4 | 37,025.6 | 0.6% |
| S&P500 | 4,719.5 | 4,695.9 | 0.5% |
| Nasdaq | 16,537.8 | 16,511.4 | 0.2% |
| Russell 2000 | 2,000.5 | 1,942.2 | 3.0% |

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|-------------------------------------|----------|----------|-------|
| <u>Asian & European Markets</u> | | | |
| Shanghai Composite | 2,959.0 | 2,968.8 | -0.3% |
| Nikkei | 32,686.2 | 32,902.0 | -0.7% |
| Hang Seng | 16,402.2 | 16,228.8 | 1.1% |
| FTSE 100 | 7,649.0 | 7,595.3 | 0.7% |
| DAX 30 | 16,752.2 | 16,766.1 | -0.1% |
| CAC 40 | 7,575.9 | 7,531.2 | 0.6% |

| S&P500 Sectors | Close | Prior | % Δ |
|------------------------|---------|---------|-------|
| Information Technology | 3,362.4 | 3,365.2 | -0.1% |
| Communication Services | 236.9 | 236.3 | 0.3% |
| Consumer Discretionary | 1,410.2 | 1,392.8 | 1.3% |

| Economic Releases | Time | F'cast | Prior |
|--------------------------------|-------|--------|-------|
| CHN - House Price Index YoY | 12:30 | | -0.1% |
| CHN - Retail Sales YoY | 12:30 | 12.5% | 7.6% |
| US - Industrial Production YoY | 1:15 | | -0.7 |

| Key BW Names | Close | Prior | % Δ |
|-----------------|-------|-------|-------|
| Lotus Resources | 0.290 | 0.275 | 5.5% |
| Elementos | 0.100 | 0.100 | 0.0% |
| Frontier Energy | 0.370 | 0.390 | -5.1% |

| Commodities | Close | Prior | % Δ |
|------------------------|--------|--------|------|
| Oil - West Texas Crude | 71.58 | 69.74 | 2.6% |
| Gold | 2,036 | 2,020 | 0.8% |
| Gold (Aus) | 3,040 | 3,030 | 0.3% |
| Silver | 24.17 | 23.76 | 1.7% |
| Uranium (Spot) | 85.00 | 85.00 | 0.0% |
| Tin (Futures) | 24,690 | 24,580 | 0.4% |
| Copper | 3.87 | 3.83 | 1.0% |

| Other Markets | Close | Prior | % Δ |
|----------------------------|---------|---------|--------|
| SPI200 Futures | 7,432.0 | 7,357.0 | 1.0% |
| DX Index | 102.9 | 102.9 | 0.0% |
| AUD/USD | 0.6697 | 0.6670 | 0.4% |
| 2-Year Treasury Yield (%) | 4.386 | 4.454 | -7 bp |
| 10-Year Treasury Yield (%) | 3.921 | 4.030 | -11 bp |
| US 2-10-Year Spread | -0.197 | -0.197 | 0 bp |
| VIX Index | 12.47 | 12.16 | 2.5% |