

18 December 2023

## Dow closes higher; ASX to drop as US rate cut optimism cools

- Global markets.** The Dow Jones Industrial Average closed higher Friday after a whipsaw session, where it marked a fresh intraday record, and the tech-heavy Nasdaq-100 set a record close. All three major averages scored their seventh-straight winning week.

The Dow closed up 56 points, or 0.2%, at 37,305.16. The S&P 500 slipped 36 points, or 0.01%, to 4,719.19 while the Nasdaq Composite closed up 52 points, or 0.4% at 14,813.92. The Nasdaq-100 ended Friday at 16,623.45, topping a record close dating back to November 2021.

Price moves may have been exaggerated by the simultaneous expiration of stock index futures and options, as well as options on individual stocks, in the quarterly event known as “triple witching.”

Wall Street rallied this week after the Federal Reserve on Wednesday admitted that its efforts to tamp down inflation are taking hold, and indicated three interest rate cuts are coming in 2024, buoying investor sentiment. The November retail sales data that came in stronger than expected on Thursday, following this week’s cooler inflation readings, added to hopes the Federal Reserve could navigate a soft landing.

The S&P 500 marked its longest weekly winning streak since 2017, and could still soon join the Dow with its own all-time high. The broad market index is less than 2% away from that mark, which was set in January 2022.

- In stock news.** N/A
- In other markets.** Oil prices settled lower on Friday, but rose slightly for the week on a weaker dollar and improved 2024 demand outlook after a string of recent losses. The West Texas Intermediate contract for January fell 15 cents, or .21%, to settle at \$71.43 a barrel. The Brent contract for February shed 6 cents, or .08%, to settle at \$76.55.
- Futures.** ASX futures down 74 points or 1.0% to 7381 near 6am AEDT

World Indices	Close	Prior	% Δ
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Local Markets			
All Ordinaries	7,661.9	7,599.4	0.8%
ASX 200	7,442.7	7,377.9	0.9%
ASX Emerging Companies	1,941.9	1,932.7	0.5%

US Markets			
Dow Jones	37,305.2	37,248.4	0.2%
S&P500	4,719.2	4,719.5	0.0%
Nasdaq	16,623.5	16,537.8	0.5%
Russell 2000	1,985.1	2,000.5	-0.8%

Asian & European Markets			
Shanghai Composite	2,942.6	2,959.0	-0.6%
Nikkei	32,970.5	32,686.2	0.9%
Hang Seng	16,792.2	16,402.2	2.4%
FTSE 100	7,576.4	7,649.0	-0.9%
DAX 30	16,751.4	16,752.2	0.0%
CAC 40	7,596.9	7,575.9	0.3%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	3,386.1	3,362.4	0.7%
Communication Services	237.3	236.9	0.1%
Consumer Discretionary	1,417.0	1,410.2	0.5%

Economic Releases	Time	F'cast	Prior
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CHN - FDI YTD YoY	19:00		-9.4%
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Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.290	0.290	0.0%
Elementos	0.100	0.100	0.0%
Frontier Energy	0.370	0.370	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	71.74	71.58	0.2%
Gold	2,020	2,036	-0.8%
Gold (Aus)	3,012	3,040	-0.9%
Silver	23.84	24.17	-1.3%
Uranium (Spot)	87.00	85.00	2.4%
Tin (Futures)	25,175	24,690	2.0%
Copper	3.88	3.87	0.3%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,366.0	7,432.0	-0.9%
DXY Index	102.6	102.9	-0.3%
AUD/USD	0.6699	0.6697	0.0%
2-Year Treasury Yield (%)	4.449	4.386	6 bp
10-Year Treasury Yield (%)	3.913	3.921	-1 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	12.27	12.47	-1.6%