

19 February 2024

Dow slid more than 100 points Friday, major averages end 5 week win

- **Global markets.** Stocks slid Friday after yet another hot inflation report stoked fears that Federal Reserve rate cuts may not arrive until later than anticipated this year.

The S&P 500 fell 0.48% to end at 5,005.57, and the Dow Jones Industrial Average slid 145.13 points, or 0.37%, settling at 38,627.99. The Nasdaq Composite lost 0.82% to finish at 15,775.65. All three major indexes broke their five-week winning streaks to end the week in the negative. The S&P 500 ended the week lower by 0.42%, while the Dow slipped 0.11%. The Nasdaq tumbled 1.34%.

The producer price index for January, a measure of wholesale inflation, increased 0.3%. Economists polled by Dow Jones had anticipated a gain of 0.1%. Excluding food and energy, core PPI rose increased 0.5%, higher than the expectations for a 0.1% advance.

It's been a roller-coaster week for stocks, with investors carefully assessing the direction of the U.S. economy and when the Federal Reserve may decide to lower rates. On Tuesday, the Dow posted its biggest daily decline in nearly a year after January's headline consumer price index reading came in at 3.1%, higher than the 2.9% economists polled by Dow Jones were expecting. The market shook off the report the next two days, with the S&P 500 rebounding on Thursday to close at yet another record high. But Friday's wholesale inflation report added to concerns the Fed may have to wait until later in the year before it starts cutting rates.

- **In economic news.** No local data
- **In other markets.** The 10-year Treasury yield spiked above 4.3% following the hot PPI reading. At one point, the 2-year Treasury yield topped 4.7%, the highest since December.
- **Futures.** Futures on the S&P/ASX 200 Index are 0.1 per cent higher to 7607, suggesting a higher start for the local bourse on Monday and shrugging off a weak lead from Wall Street. With the US closed for Presidents' Day on Monday, trading may be subdued at the start of the week.

World Indices	Close	Prior	% Δ
---------------	-------	-------	-----

Local Markets			
All Ordinaries	7,905.6	7,851.7	0.7%
ASX 200	7,658.3	7,605.7	0.7%
ASX Emerging Companies	1,983.4	1,962.4	1.1%

US Markets			
Dow Jones	17,117.4	38,773.1	-55.9%
S&P500	5,005.6	5,029.7	-0.5%
Nasdaq	17,686.0	17,845.7	-0.9%
Russell 2000	2,032.7	2,061.5	-1.4%

Asian & European Markets			
Shanghai Composite	2,865.9	2,865.9	0.0%
Nikkei	38,487.2	38,157.9	0.9%
Hang Seng	16,340.0	15,944.6	2.5%
FTSE 100	7,711.7	7,597.5	1.5%
DAX 30	17,117.4	17,046.7	0.4%
CAC 40	7,768.2	7,743.4	0.3%

S&P500 Sectors	Close	Prior	% Δ
----------------	-------	-------	-----

Information Technology	3,650.2	3,679.3	-0.8%
Communication Services	270.7	275.0	-1.6%
Consumer Discretionary	1,439.1	1,445.1	-0.4%

Economic Releases	Time	F'cast	Prior
-------------------	------	--------	-------

Key BW Names	Close	Prior	% Δ
--------------	-------	-------	-----

Lotus Resources	0.315	0.325	-3.1%
Elementos	0.110	0.115	-4.3%
Frontier Energy	0.270	0.265	1.9%

Commodities	Close	Prior	% Δ
-------------	-------	-------	-----

Oil - West Texas Crude	78.16	77.57	0.8%
Gold	2,013	2,004	0.4%
Gold (Aus)	3,082	3,072	0.3%
Silver	23.41	22.92	2.1%
Uranium (Spot)	104.00	104.00	0.0%
Tin (Futures)	26,970	27,465	-1.8%
Copper	3.83	3.77	1.7%

Other Markets	Close	Prior	% Δ
---------------	-------	-------	-----

SPI200 Futures	7,607.0	7,630.0	-0.3%
DXY Index	104.3	104.7	-0.4%
AUD/USD	0.6525	0.6524	0.0%
2-Year Treasury Yield (%)	4.646	4.578	7 bp
10-Year Treasury Yield (%)	4.283	4.236	5 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	14.25	14.00	1.8%