

21 February 2024

## S&P 500 and Nasdaq close lower, dragged down by Nvidia; ASX to fall

- **Global markets.** Stocks fell Tuesday as Nvidia led a broader tech decline ahead of the chipmaker's earnings report.

The Dow Jones Industrial Average dipped 64.19 points, or 0.17%, settling at 38,563.80. The S&P 500 slipped 0.60% to end at 4,975.51. The tech-heavy Nasdaq Composite lost 0.92% to close at 15,630.78.

Shares of Nvidia, which is set to report earnings Wednesday after the bell, fell nearly 4.4%. Although Nvidia is expected to post impressive results, investors have expressed concerns about its sky-high valuation. Amazon shares declined 1.4%, while shares of Microsoft and Meta each lost about 0.3%.

So far this year, the technology sector has added 6%, making it the third-highest gainer in the broader market, losing to communication services and health care. Nvidia has continued its blockbuster stretch of gains, adding 40% so far this year, while its 'Magnificent 7' peers have risen. Meta and Amazon have advanced about 33% and 10%, respectively, in 2024.

Financial stocks were also in view Tuesday following a blockbuster announcement that Capital One Financial agreed to purchase Discover Financial Services in an all-stock deal worth \$35.3 billion, which is expected to close in late 2024 or early 2025. Capital One added 0.1% following the announcement, while Discover jumped 12.6%.

- **In economic news.** Local: NZ fourth quarter PPI at 8.45am; Australia: Westpac leading index at 10.30am, Fourth quarter wage price index at 11.30am

Overseas data: UK January public sector borrowing; Eurozone February consumer confidence

- **In other markets.** The West Texas Intermediate contract for March fell \$1.01, or 1.28%, to settle at \$78.18 a barrel. The Brent contract for April dropped \$1.22, or 1.46%, to \$82.34 a barrel. There was no WTI settlement on Monday due to the President's Day holiday.

- **Futures.** ASX futures were down 21 points or 0.3 per cent near 8am AEDT.

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	7,911.5	7,905.6	0.1%
ASX 200	7,659.0	7,658.3	0.0%
ASX Emerging Companies	1,984.7	1,983.4	0.1%
<u>US Markets</u>			
Dow Jones	38,563.8	17,117.4	125.3%
S&P500	4,975.5	5,005.6	-0.6%
Nasdaq	17,546.1	17,686.0	-0.8%
Russell 2000	2,004.1	2,032.7	-1.4%
<u>Asian &amp; European Markets</u>			
Shanghai Composite	2,922.7	2,865.9	2.0%
Nikkei	38,363.5	38,487.2	-0.3%
Hang Seng	16,247.5	16,340.0	-0.6%
FTSE 100	7,719.2	7,711.7	0.1%
DAX 30	17,068.4	17,117.4	-0.3%
CAC 40	7,795.2	7,768.2	0.3%
<u>S&amp;P500 Sectors</u>			
Information Technology	3,604.0	3,650.2	-1.3%
Communication Services	270.4	270.7	-0.1%
Consumer Discretionary	1,424.7	1,439.1	-1.0%
<u>Economic Releases</u>			
AU - Westpac Lending Index MoM	11:00		
AU - Wage Price Index YoY	11:30	4.1%	4.0%
US - FOMC Minutes	6:00		
<u>Key BW Names</u>			
Lotus Resources	0.320	0.315	1.6%
Elementos	0.130	0.110	18.2%
Frontier Energy	0.280	0.270	3.7%
<u>Commodities</u>			
Oil - West Texas Crude	77.11	78.16	-1.3%
Gold	2,024	2,013	0.5%
Gold (Aus)	3,090	3,082	0.3%
Silver	22.99	23.41	-1.8%
Uranium (Spot)	102.00	104.00	-1.9%
Tin (Futures)	26,434	26,970	-2.0%
Copper	3.86	3.83	0.7%
<u>Other Markets</u>			
SPI200 Futures	7,584.0	7,607.0	-0.3%
DX Index	104.3	104.3	0.0%
AUD/USD	0.6549	0.6525	0.4%
2-Year Treasury Yield (%)	4.616	4.646	-3 bp
10-Year Treasury Yield (%)	4.277	4.283	-1 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	15.41	14.25	8.1%