

31 January 2024

ASX to edge up, Wall St fluctuates on earnings, Fed rate decision ahead

- Global markets.** The S&P 500 ended Tuesday near the flatline as Wall Street waits for the latest Federal Reserve decision on interest rates.

The benchmark slipped 0.06% to close at 4,924.97. The Dow Jones Industrial Average added 133.86 points, or 0.35% to end at 38,467.31, marking its seventh record close this year. The Nasdaq Composite pulled back 0.76% to finish at 15,509.90.

Traders will watch for updates out of the Federal Open Market Committee's two-day policy meeting that got underway Tuesday. The fed funds futures market has priced in a 97% probability that the central bank will leave rates unchanged, according to the CME FedWatch tool, so investors are instead left anticipating a shift in the policy statement that will close out the meeting.

General Motors shares popped nearly 8% after the automaker posted better-than-expected earnings. Cybersecurity stock F5 gained just shy of 1% on the back of a better-than-expected financial report, while electronics manufacturer Sanmina soared more than 28% after posting strong earnings per share and current-quarter guidance.

- In economic news.** Local: Monthly and Fourth-quarter CPI and Private credit December at 11.30am.

Overseas data: NZ January business confidence at 11am; Japan December industrial production; China January manufacturing and services PMIs at 12.30pm; Eurozone January CPI at 12am Thursday; US January ADP jobs report at 12.15am Thursday, Federal Reserve policy statement at 6am Thursday

- In other markets.** Oil was higher. Saudi Aramco said it would maintain its maximum sustainable capacity at 12 millions barrels a day, halting a plan to boost it by 1 million barrels a day. The company said it will update its capital spending guidance when its full-year 2023 results are announced in March.

US bond yields were higher after the latest US jobs openings report unexpectedly rose to a three-month-high, signalling enduring strength.

- Futures.** ASX futures up 1 point to 7568 near 8am AEDT

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,835.0	7,808.3	0.3%
ASX 200	7,600.2	7,578.4	0.3%
ASX Emerging Companies	1,928.8	1,914.4	0.8%

US Markets

Dow Jones	38,467.3	38,333.5	0.3%
S&P500	4,925.0	4,927.9	-0.1%
Nasdaq	17,476.7	17,596.3	-0.7%
Russell 2000	1,996.2	2,011.4	-0.8%

Asian & European Markets

Shanghai Composite	2,830.5	2,883.4	-1.8%
Nikkei	36,065.8	36,026.9	0.1%
Hang Seng	15,703.5	16,077.3	-2.3%
FTSE 100	7,666.3	7,632.8	0.4%
DAX 30	16,972.4	16,941.7	0.2%
CAC 40	7,677.5	7,640.8	0.5%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	3,606.2	3,633.1	-0.7%
Communication Services	268.5	270.4	-0.7%
Consumer Discretionary	1,393.5	1,396.5	-0.2%

Economic Releases	Time	F'cast	Prior
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AU - Inflation Rate YoY	11:30	4.30%	5.4%
CHN - NBS Manufacturing PMI	12:30		
USA - Fed Interest Rate	6:00	5.50%	5.50%

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.355	0.340	4.4%
Elementos	0.086	0.088	-2.3%
Frontier Energy	0.280	0.305	-8.2%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	77.72	76.93	1.0%
Gold	2,037	2,032	0.2%
Gold (Aus)	3,085	3,074	0.4%
Silver	23.16	23.19	-0.1%
Uranium (Spot)	102.00	102.00	0.0%
Tin (Futures)	26,329	26,664	-1.3%
Copper	3.92	3.90	0.5%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,568.0	7,580.0	-0.2%
DX Index	103.5	103.5	0.0%
AUD/USD	0.6601	0.6610	-0.1%
2-Year Treasury Yield (%)	4.339	4.320	2 bp
10-Year Treasury Yield (%)	4.036	4.078	-4 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	13.32	13.61	-2.1%