

7 February 2024

ASX to rise, Wall Street attempts to recoup record levels

- **Global markets.** Stocks rose on Tuesday as Wall Street assessed the latest batch of corporate earnings and the timeline for rate cuts from the Federal Reserve.

The S&P 500 rose 0.23% to settle at 4,954.23, while the Nasdaq Composite inched up 0.07% to close at 15,609.00. The Dow Jones Industrial Average jumped 141.24 points, or 0.37%, to end at 38,521.36.

“The market is trying to make heads and tails out of Powell’s statement” and the latest earnings, said Adam Sarhan, CEO of 50 Park Investment, referring to recent comments from Fed Chair Jerome Powell that dashed hopes for a March cut.

Expectations for fast-approaching cuts, combined with strong earnings from the technology behemoths, have contributed to the market’s push higher in recent weeks. However, recent remarks from Federal Reserve Chair Jerome Powell dashed hopes for a March rate cut and indicated that cuts may come much later than previously expected.

Narrow market leadership in recent sessions has also heightened concerns over whether the market can sustain the rally without broader participation.

- **In economic news.** Local: NZ fourth quarter employment and private wages data at 8.45am
- **In other markets.** A reportedly well-received sale of \$US54 billion worth of three-year US notes bolstered overall sentiment. The US government plans to sell \$US42 billion of 10-year Treasuries on Wednesday (Thursday AEDT).
- **Futures.** ASX futures up 55 points or 0.7% to 7588 near 8am AEDT

World Indices	Close	Prior	% Δ
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Local Markets	Close	Prior	% Δ
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All Ordinaries	7,808.9	7,912.8	-1.3%
ASX 200	7,581.6	7,680.7	-1.3%
ASX Emerging Companies	1,904.9	1,934.2	-1.5%

US Markets	Close	Prior	% Δ
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Dow Jones	38,521.4	38,150.3	1.0%
S&P500	4,954.2	4,845.7	2.2%
Nasdaq	17,572.7	17,137.2	2.5%
Russell 2000	1,953.6	1,947.3	0.3%

Asian & European Markets	Close	Prior	% Δ
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Shanghai Composite	2,789.5	2,788.6	0.0%
Nikkei	36,160.6	36,286.6	-0.3%
Hang Seng	16,136.9	15,485.1	4.2%
FTSE 100	7,681.0	7,630.6	0.7%
DAX 30	17,033.2	16,903.8	0.8%
CAC 40	7,639.0	7,656.8	-0.2%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	3,629.6	3,529.9	2.8%
Communication Services	269.6	257.9	4.5%
Consumer Discretionary	1,416.0	1,367.7	3.5%

Economic Releases	Time	F'cast	Prior
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Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.365	0.365	0.0%
Elementos	0.090	0.086	4.7%
Frontier Energy	0.295	0.300	-1.7%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	73.40	75.78	-3.1%
Gold	2,036	2,039	-0.2%
Gold (Aus)	3,121	3,105	0.5%
Silver	22.42	23.16	-3.2%
Uranium (Spot)	106.00	102.00	3.9%
Tin (Futures)	24,836	26,005	-4.5%
Copper	3.80	3.91	-2.8%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,588.0	7,559.0	0.4%
DXY Index	104.5	103.4	1.0%
AUD/USD	0.6523	0.6567	-0.7%
2-Year Treasury Yield (%)	4.399	4.211	19 bp
10-Year Treasury Yield (%)	4.090	3.916	17 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	13.05	14.34	-9.0%