

15 March 2024

## Dow closes over 100 points lower, US bonds surge on data; ASX to drop

- Global markets.** The Dow Jones Industrial Average fell Thursday and snapped a 3-day win streak after the release of hotter-than-expected U.S. inflation data sent Treasury yields higher, while Nvidia shares were under pressure.

The 30-stock Dow pulled back 137.66 points, or 0.35%, to close at 38,905.66. The Nasdaq Composite fell 0.3% to 16,128.53, while the S&P 500 slipped 0.29% to finish the session at 5,150.48.

February's producer price index, a measure of wholesale inflation, advanced 0.6% last month. Excluding food and energy prices, core PPI climbed 0.3% in February. Economists polled by Dow Jones expected a 0.3% gain for headline PPI and a 0.2% increase for the core reading. Stocks were initially resilient following the report, but lost steam shortly after the open.

The hot inflation report sent bond yields higher, with the benchmark 10-year Treasury adding about 10 basis points to 4.29%. Shares of Nvidia were lower for the fourth session in five, pulling back more than 3%.

The PPI report is the last major piece of economic data to be released prior to the Federal Reserve's upcoming policy meeting, set for March 19-20.

- In economic news.** Local: BusinessNZ February manufacturing PMI at 8.30am  
 Overseas data: US February import price index and industrial production, New York Empire March manufacturing, University of Michigan March consumer sentiment
- In other markets.** US Treasury yields surged after a report showed that producer prices increased 0.6 per cent in February; economists had forecast a 0.3 per cent advance. The PPI data adds to concerns stoked by February's hotter-than-expected consumer price report earlier this week.

The yield on the US 10-year note was 10 basis points higher to 4.29 per cent at 4.39pm in New York. The two-year yield leapt to 4.69 per cent; the yield on the 30-year bond was at 4.43 per cent.

- Futures.** ASX futures down 56 points or 0.7% to 7665 near 7am AEDT

World Indices	Close	Prior	% Δ
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Local Markets	Close	Prior	% Δ
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All Ordinaries	7,974.0	7,989.5	-0.2%
ASX 200	7,713.6	7,729.4	-0.2%
ASX Emerging Companies	2,101.9	2,093.7	0.4%

US Markets	Close	Prior	% Δ
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Dow Jones	38,905.7	39,043.3	-0.4%
S&P500	5,150.5	5,165.3	-0.3%
Nasdaq	18,014.8	18,068.5	-0.3%
Russell 2000	2,031.2	2,071.7	-2.0%

Asian & European Markets	Close	Prior	% Δ
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Shanghai Composite	3,038.2	3,043.8	-0.2%
Nikkei	38,807.3	38,695.9	0.3%
Hang Seng	16,961.7	17,082.1	-0.7%
FTSE 100	7,743.2	7,772.2	-0.4%
DAX 30	17,942.0	17,961.4	-0.1%
CAC 40	8,161.4	8,137.6	0.3%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	3,809.5	3,813.9	-0.1%
Communication Services	276.6	275.1	0.5%
Consumer Discretionary	1,451.7	1,458.0	-0.4%

Economic Releases	Time	F'cast	Prior
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AU - Consumer Inflation Expectations	11:00		4.5%
CHN - House Price Index YoY	12:30		-0.7%
USA - Michigan Consumer Sentiment	1:00		

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.390	0.390	0.0%
Elementos	0.140	0.145	-3.4%
Frontier Energy	0.398	0.395	0.6%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	81.04	79.57	1.8%
Gold	2,162	2,174	-0.6%
Gold (Aus)	3,285	3,283	0.1%
Silver	24.80	25.01	-0.8%
Uranium (Spot)	86.00	86.00	0.0%
Tin (Futures)	28,065	27,520	2.0%
Copper	4.05	4.06	-0.3%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,665.0	7,759.0	-1.2%
DX Index	102.8	102.9	-0.1%
AUD/USD	0.6580	0.6622	-0.6%
2-Year Treasury Yield (%)	4.694	4.632	6 bp
10-Year Treasury Yield (%)	4.292	4.188	10 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	14.39	13.74	4.7%