

21 March 2024

## Dow rises 400 points after Fed says 3 rate cuts on the way; ASX to rise

- Global markets.** The three major averages rallied to hit all-time closing records Wednesday after the Federal Reserve held rates at a 23-year high and maintained expectations for three cuts before the end of 2024.

The Dow Jones Industrial Average rallied 401.37 points, or 1.03%, to finish at 39,512.13, while the S&P 500 gained 0.89% to close at 5,224.62 and punched above the 5,200 level for the first time ever. The Nasdaq Composite jumped 1.25% to settle at 16,369.41.

The Fed left rates unchanged but said that it plans to cut three times before the end of the year, reaffirming its previous forecast from December. That said, the central bank indicated that it needs greater evidence that inflation is easing before it starts taking its foot off the brakes.

Prior to the meeting, some investors had feared that a recent spate of hot inflation reports would potentially result in even fewer cuts than markets anticipated.

Financial stocks were higher after the Fed decision on the hope that rate cuts this year will keep the economy growing. American Express added 2.8%, while the SPDR S&P Regional Banking ETF gained more than 3%.

Megacap technology stocks responsible for powering the recent market rally rose as investors bet the sector stands to gain the most from lower rates. Alphabet, Amazon, Microsoft and Nvidia rose about 1%, while Meta Platforms gained 1.9%. Recent market laggards Apple and Tesla advanced 1.5% and 2.5%, respectively.

- In stock news.** Local: Labour force February at 11.30am

Overseas data: NZ fourth quarter GDP at 8.45am; Markit March PMIs for Eurozone, UK and US; Bank of England policy decision at 11pm; Norges Bank policy meeting; Swiss National Bank policy meeting; US February leading index and existing home sales, March Philly Fed index

- In other markets.** N/A

- Futures.** ASX futures up 49 points or 0.6% to 7799 near 7am AEDT

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

### Local Markets

All Ordinaries	7,954.5	7,957.8	0.0%
ASX 200	7,695.8	7,703.2	-0.1%
ASX Emerging Companies	2,093.2	2,091.2	0.1%

### US Markets

Dow Jones	39,512.1	39,110.8	1.0%
S&P500	5,224.6	5,178.5	0.9%
Nasdaq	18,240.1	18,032.2	1.2%
Russell 2000	2,074.9	2,035.7	1.9%

### Asian & European Markets

Shanghai Composite	3,079.7	3,062.8	0.6%
Nikkei	40,003.5	40,003.5	0.0%
Hang Seng	16,543.1	16,529.5	0.1%
FTSE 100	7,737.4	7,738.3	0.0%
DAX 30	18,015.1	17,987.5	0.2%
CAC 40	8,161.4	8,201.1	-0.5%

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

Information Technology	3,847.3	3,803.4	1.2%
Communication Services	284.5	281.0	1.3%
Consumer Discretionary	1,477.6	1,456.4	1.5%

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

AUD - Consumer Inflation Expectations	11:00		4.5%
AUD - Unemployment Rate	11:30	4.00%	4.1%
USA - Existing Home Sales MoM	1:00		3.10%

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

Lotus Resources	0.415	0.400	3.7%
Elementos	0.145	0.145	0.0%
Frontier Energy	0.360	0.360	0.0%

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

Oil - West Texas Crude	81.46	82.45	-1.2%
Gold	2,207	2,157	2.3%
Gold (Aus)	3,350	3,303	1.4%
Silver	25.63	24.91	2.9%
Uranium (Spot)	88.00	88.00	0.0%
Tin (Futures)	27,445	28,700	-4.4%
Copper	4.10	4.07	0.6%

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

SPI200 Futures	7,799.0	7,779.0	0.3%
DX Index	103.8	103.6	0.2%
AUD/USD	0.6589	0.6532	0.9%
2-Year Treasury Yield (%)	4.604	4.687	-8 bp
10-Year Treasury Yield (%)	4.277	4.293	-2 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	13.03	13.83	-5.8%