

2 April 2024

Dow closes more than 200 points lower as Treasury yields pop; ASX flat

- Global markets.** The Dow Jones Industrial Average dipped Monday to kick off the second quarter, with traders weighing fresh U.S. inflation data amid fears the market rally could slow down.

Investors remain cautious about the pace of the Federal Reserve's rate-cutting timeline this year and how soon central bankers will be able to meet their 2% inflation target. Federal Reserve Chair Jerome Powell said Friday that economic growth remains strong and inflation is still above target.

Traders reacted to the personal consumption expenditures price index, released during the market's closure for Good Friday. Core PCE, which excludes food and energy, showed inflation rose 2.8% on a 12-month basis in February, in line with expectations. On a monthly basis, the measure was up 0.3% from a month ago, the Commerce Department said.

Wall Street also wrapped up a winning March, extending its rally to a fifth straight month. Those monthly and quarterly gains brought the Dow to within striking distance of 40,000. However, Monday's decline pulled it away from the milestone level.

In stock news. At 11.30am, minutes of the March 2024 monetary policy meeting of the Reserve Bank Board are set to be released.

- In other markets.** Treasury yields rose Monday as investors considered Powell's earlier remarks and a key inflation reading. The benchmark 10-year Treasury yield was last up nearly 13 basis points at 4.319%.

Meanwhile, the price of iron ore has rebounded back above \$US100 per tonne during trading overnight, after plunging almost 5 per cent while markets in Australia were closed for Easter Monday.

The [West Texas Intermediate](#) contract for May delivery gained \$1.28, or 1.54%, to \$84.45 a barrel. The [Brent](#) contract for June delivery added 93 cents, or 1.07%, to \$87.93 a barrel.

- Futures.** Futures are flat, giving little indication of where the sharemarket may go at the opening bell. The S&P/ASX 200 last traded at a 7896.9 ahead of the long weekend.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	8,153.7	8,073.6	1.0%
ASX 200	7,896.9	7,819.6	1.0%
ASX Emerging Companies	2,149.2	2,121.0	1.3%

US Markets

Dow Jones	39,566.9	39,760.1	-0.5%
S&P500	5,243.8	5,248.5	-0.1%
Nasdaq	18,293.2	18,280.8	0.1%
Russell 2000	2,102.8	2,114.3	-0.5%

Asian & European Markets

Shanghai Composite	3,077.4	2,993.1	2.8%
Nikkei	39,803.0	40,762.7	-2.4%
Hang Seng	16,541.4	16,392.9	0.9%
FTSE 100	7,952.6	7,932.0	0.3%
DAX 30	18,492.5	18,477.1	0.1%
CAC 40	8,205.8	8,204.8	0.0%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	3,829.7	3,825.3	0.1%
Communication Services	288.4	285.2	1.1%
Consumer Discretionary	1,476.5	1,487.5	-0.7%

Economic Releases	Time	F'cast	Prior
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AUD - RBA Meeting Minutes	11:30		
USA - Factory Orders MoM	1:00	1.00%	-3.6%

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.400	0.380	5.3%
Elementos	0.150	0.145	3.4%
Frontier Energy	0.340	0.345	-1.4%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	83.91	81.65	2.8%
Gold	2,251	2,194	2.6%
Gold (Aus)	3,469	3,358	3.3%
Silver	25.08	24.65	1.7%
Uranium (Spot)	88.00	88.00	0.0%
Tin (Futures)	27,451	27,446	0.0%
Copper	4.07	4.03	1.1%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,951.0	7,930.0	0.3%
DXY Index	105.0	104.3	0.6%
AUD/USD	0.6489	0.6527	-0.6%
2-Year Treasury Yield (%)	4.711	4.568	14 bp
10-Year Treasury Yield (%)	4.317	4.188	13 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	13.66	12.77	7.0%