

14 May 2024

Dow slips as consumers expectations for inflation rise; ASX to slip

- Global markets.** The Dow Jones Industrial Average slipped on Monday, snapping an eight-day winning streak, as traders grappled with rising inflation expectations ahead of key reports due later in the week.

The 30-stock Dow fell 81.33 points, or 0.21%, to close at 39,431.51. The S&P 500 inched lower by 0.02%, ending at 5,221.42. The Nasdaq Composite added 0.29%, closing at 16,388.24.

A New York Federal Reserve survey showed consumers last month raised their expectations for price increases in both the near and long term. On a one-year basis, inflation expectations rose to 3.3%. Their five-year outlook ticked up to 2.8%.

Stocks gave back earlier gains after the survey results were issued. The numbers also come ahead of two key economic data releases.

The consumer price index report is slated for Wednesday. Economists expect an April increase of 0.4% month over month and 3.4% year over year, according to Dow Jones. The producer price index, due out Tuesday, is expected to have risen 0.3% last month.

Shares of meme stock GameStop soared 74% after "Roaring Kitty," the moniker of the Reddit trader behind 2021's short squeeze, posted online for the first time in three years.

The 30-stock Dow is coming off its best weekly performance of 2024, rising more than 2% last week. The S&P 500 and Nasdaq climbed more than 1% each during that period.

The major averages have clawed back to within reach of their record levels set in March following a brief pullback. The Dow, S&P 500 and Nasdaq are all within 1% of their closing highs.

- In economic news.** Overseas – USA PPI
- In other markets.** Oil edged higher overnight, as signs of a tighter market vied with decreased geopolitical risks to keep prices locked in a narrow band. West Texas Intermediate settled above \$US79 a barrel, after spending the day fluctuating within the roughly \$US3 range that has bound prices since May 2.
- Futures.** ASX futures down 8 points or 0.1% to 7776 near 7am AEST

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	8,019.4	8,022.7	0.0%
ASX 200	7,750.0	7,749.0	0.0%
ASX Emerging Companies	2,221.1	2,231.8	-0.5%

<u>US Markets</u>			
Dow Jones	39,431.5	39,512.9	-0.2%
S&P500	5,221.4	522.7	898.9%
Nasdaq	18,198.6	18,161.2	0.2%
Russell 2000	2,062.1	2,059.8	0.1%

<u>Asian & European Markets</u>			
Shanghai Composite	3,148.0	3,154.6	-0.2%
Nikkei	38,179.4	38,229.0	-0.1%
Hang Seng	19,115.1	18,963.7	0.8%
FTSE 100	8,415.0	8,433.8	-0.2%
DAX 30	18,742.2	18,772.9	-0.2%
CAC 40	8,209.3	8,219.2	-0.1%

S&P500 Sectors	Close	Prior	% Δ
Information Technology	3,805.5	3,787.4	0.5%
Communication Services	291.8	292.3	-0.2%
Consumer Discretionary	1,452.6	1,455.7	-0.2%

Economic Releases	Time	F'cast	Prior
JPY - PPI YoY	9:50	0.90%	0.8%
USA - PPI MoM	22:30	0.30%	0.2%
USA - Fed Powell Speech	0:00		

Key BW Names	Close	Prior	% Δ
Lotus Resources	0.450	0.460	-2.2%
Elementos	0.165	0.165	0.0%
Frontier Energy	0.360	0.335	7.5%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	79.13	77.99	1.5%
Gold	2,338	2,362	-1.0%
Gold (Aus)	3,538	3,576	-1.1%
Silver	28.27	28.17	0.4%
Uranium (Spot)	91.00	91.00	0.0%
Global X Uranium ETF	30.85	31.22	-1.2%
Sprott Uranium Miners ETF	54.40	54.68	-0.5%
Sprott Physical Uranium Trust	22.20	22.68	-2.1%
Tin (Futures)	32,093	32,093	0.0%
Copper	4.77	4.63	3.0%

Other Markets	Close	Prior	% Δ
SPI200 Futures	7,776.0	7,765.0	0.1%
DX Index	105.3	105.3	0.0%
AUD/USD	0.6609	0.6604	0.1%
2-Year Treasury Yield (%)	4.868	4.870	0 bp
10-Year Treasury Yield (%)	4.490	4.500	-1 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	13.59	12.56	8.2%

