

16 May 2024

S&P500 jumps 1% to record close of 5,300 for the first time ; ASX to rise

- Global markets.** The S&P 500 and Nasdaq Composite popped to record highs Wednesday and added to their strong 2024 performances. The major averages were boosted by a lighter-than-expected U.S. consumer inflation report.

All three major averages closed at records. Year to date, this is the 23rd record close for the S&P 500, the 18th for the Dow and the eighth for the Nasdaq.

The consumer price index rose 0.3% for the month of April, less than the Dow Jones estimate for a 0.4% monthly increase. The gauge increased 3.4% year over year, in line with expectations. Monthly and yearly numbers for core CPI, which excludes volatile food and energy prices, were both in line as well.

Retail sales remained flat in April. Economists anticipated a 0.4% jump.

Both reports boosted expectations for Federal Reserve rate cuts in the near future. Fed funds futures trading data now suggests a 75.3% likelihood that the U.S. central bank will ease rates at its September meeting, according to the CME FedWatch Tool. This is up from Tuesday's 65.1% chance of a rate cut in the same month.

Stocks have been on a tear this year, as expectations for lower Fed rates and enthusiasm around artificial intelligence — and its potential to boost profits — lifted investor sentiment. The S&P 500 is up more than 11% year to date. That said, the broad market index stumbled last month as worries over sticky inflation pressured equities.

- In economic news.** Local: Labour force April at 11.30am
 Overseas data: Japan first quarter GDP at 9.50pm, industrial production March final; US April housing starts, building permits and import prices at 10.30pm, April industrial production, Philly Fed May index.
- In other markets.** The yield on the US 10-year government note also tumbled 10 basis points to 4.34 per cent after the core consumer price index — which excludes food and energy costs — rose 0.3 per cent from March, while the annual measure cooled to the slowest pace in three years.
- Futures.** ASX futures up 50 points or 0.6% to 7842 near 7am AEST

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	8,020.9	7,995.7	0.3%
ASX 200	7,753.7	7,726.8	0.3%
ASX Emerging Companies	2,231.2	2,221.9	0.4%

<u>US Markets</u>			
Dow Jones	39,908.0	39,558.1	0.9%
S&P500	5,308.1	5,246.7	1.2%
Nasdaq	18,596.7	18,322.8	1.5%
Russell 2000	2,109.5	2,085.7	1.1%

<u>Asian & European Markets</u>			
Shanghai Composite	3,119.9	3,145.8	-0.8%
Nikkei	38,385.7	38,356.1	0.1%
Hang Seng	19,073.7	19,073.7	0.0%
FTSE 100	8,445.8	8,428.1	0.2%
DAX 30	18,869.4	18,716.4	0.8%
CAC 40	8,240.0	8,225.8	0.2%

S&P500 Sectors	Close	Prior	% Δ
Information Technology	3,929.2	3,841.1	2.3%
Communication Services	295.9	293.2	0.9%
Consumer Discretionary	1,458.8	1,458.9	0.0%

Economic Releases	Time	F'cast	Prior
JPY - GDRP Growth	9:50	-1.50%	0.4%
AUS - Unemployment Rate	11:30	3.90%	3.8%
USA - Building Permits	22:30		

Key BW Names	Close	Prior	% Δ
Lotus Resources	0.450	0.450	0.0%
Elementos	0.170	0.160	6.3%
Frontier Energy	0.360	0.360	0.0%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	78.84	78.42	0.5%
Gold	2,389	2,357	1.4%
Gold (Aus)	3,568	3,558	0.3%
Silver	29.75	28.61	4.0%
Uranium (Spot)	91.00	91.00	0.0%
Global X Uranium ETF	31.55	31.14	1.3%
Sprott Uranium Miners ETF	54.49	54.49	0.0%
Sprott Physical Uranium Trust	22.07	21.69	1.8%
Tin (Futures)	32,918	32,918	0.0%
Copper	4.90	4.86	0.8%

Other Markets	Close	Prior	% Δ
SPI200 Futures	7,845.0	7,799.0	0.6%
DXY Index	105.0	105.2	-0.2%
AUD/USD	0.6697	0.6643	0.8%
2-Year Treasury Yield (%)	4.728	4.821	-9 bp
10-Year Treasury Yield (%)	4.344	4.445	-10 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	12.44	13.41	-7.2%