

17 May 2024

Dow closes lower after briefly topping 40,000 for the first time; ASX to drop

Global markets. The Dow Jones Industrial Average closed slightly lower Thursday after briefly jumping above 40,000 for the first time.

At its high of the day, the blue-chip average reached 40,051.05, the culmination of a bull market that began in October 2022. The index had neared the 40,000 mark earlier this year before a slight April pullback on worries about high interest rates knocked it back down. The rally was rekindled in May on the back of strong earnings and some soft inflation readings.

During the session, the broader market index also climbed to a new record after closing above the 5,300 level for the first time ever on Wednesday, while the tech-heavy Nasdaq hit an all-time high. The Dow has climbed nearly 6% in 2024, while the Nasdaq and S&P 500 are up 11% each.

It was Walmart that led the Dow's charge above 40,000 as the world's biggest retailer popped nearly 7% on strong fiscal first-quarter results. Walmart is now up 21% in 2024.

The Dow's march toward 40,000 comes as expectations of interest rate cuts and enthusiasm around artificial intelligence boost investor sentiment. The first Federal Reserve rate cut is priced in for September, according to the CME Group's FedWatch Tool. That expectation grew after a smaller-than-expected increase in consumer prices for April was reported earlier this week.

- **In economic news.** n/a
- **In other markets.** Oil erased earlier losses to close higher, but remained within a tight range as traders weighed shrinking US stockpiles and the outlook for inflation in the world's largest economy.

West Texas Intermediate edged higher to settle above \$US79, though the US benchmark has been wedged between about \$US77 and \$US82 a barrel this month. US oil inventories fell by 2.5 million barrels last week for the first back-to-back drop since March, taking nationwide holdings to the lowest in almost a month.

- **Futures.** ASX futures down 44 points or 0.6% to 7875 near 7am AEST

World Indices	Close	Prior	% Δ
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Local Markets	Close	Prior	% Δ
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All Ordinaries	8,150.1	8,020.9	1.6%
ASX 200	7,881.3	7,753.7	1.6%
ASX Emerging Companies	2,236.5	2,231.2	0.2%

US Markets	Close	Prior	% Δ
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Dow Jones	39,869.4	39,908.0	-0.1%
S&P500	5,297.1	5,308.1	-0.2%
Nasdaq	18,558.0	18,596.7	-0.2%
Russell 2000	2,096.2	2,109.5	-0.6%

Asian & European Markets	Close	Prior	% Δ
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Shanghai Composite	3,122.4	3,119.9	0.1%
Nikkei	38,920.2	38,385.7	1.4%
Hang Seng	19,376.5	19,073.7	1.6%
FTSE 100	8,438.7	8,445.8	-0.1%
DAX 30	18,738.8	18,869.4	-0.7%
CAC 40	8,188.5	8,240.0	-0.6%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	3,915.9	3,929.2	-0.3%
Communication Services	295.8	295.9	0.0%
Consumer Discretionary	1,447.9	1,458.8	-0.8%

Economic Releases	Time	F'cast	Prior
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CHN - House Price Index YoY	12:00		-2.2%
Euro - Core Inflation Rate YoY	19:00	2.70%	2.9%

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.445	0.450	-1.1%
Elementos	0.165	0.170	-2.9%
Frontier Energy	0.350	0.360	-2.8%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	78.93	78.84	0.1%
Gold	2,379	2,389	-0.4%
Gold (Aus)	3,561	3,568	-0.2%
Silver	29.73	29.75	-0.1%
Uranium (Spot)	91.00	91.00	0.0%
Global X Uranium ETF	31.52	31.55	-0.1%
Sprott Uranium Miners ETF	55.17	54.49	1.2%
Sprott Physical Uranium Trust	22.15	22.07	0.4%
Tin (Futures)	32,918	32,918	0.0%
Copper	4.86	4.90	-0.8%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,875.0	7,845.0	0.4%
DXY Index	104.3	105.0	-0.7%
AUD/USD	0.6682	0.6697	-0.2%
2-Year Treasury Yield (%)	4.795	4.728	7 bp
10-Year Treasury Yield (%)	4.375	4.344	3 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	12.41	12.44	-0.2%