

23 May 2024

Dow closes 200pts lower as Fed reignites inflation worries; ASX to drop

- Global markets.** U.S. stocks traded lower Wednesday as the minutes from the Federal Reserve's May meeting raised concerns of persistent inflation, indicating the central bank may not cut interest rates soon.

The Dow Jones Industrial Average declined 201.95 points, or 0.51%, closing at 39,671.04. It was the 30-stock index's worst session in May. The S&P 500 lost 0.27% to end at 5,307.01, and the Nasdaq Composite dropped 0.18% to close at 16,801.54.

Minutes from the April 30 to May 1 policy meeting of the Federal Open Market Committee released Wednesday stated a lack of progress in recent months toward lower inflation. The minutes also showed "various participants" discussed a willingness to hike rates if inflation did not keep moving lower toward its 2% goal.

Investors also looked ahead to the widely anticipated release of Nvidia's latest earnings report. The chipmaker dropped 0.5% Wednesday ahead of its quarterly earnings results after the bell. Analysts are expecting another strong quarter from the chipmaker. LSEG data shows consensus estimates call for earnings per share and revenue to have risen 400% and 240% year on year, respectively.

The chipmaker's earnings announcement "has become one of the most important events on the macro calendar," according to Deutsche Bank strategist Henry Allen.

Allen noted that the day after Nvidia's last earnings report in February, the S&P 500 jumped more than 2%, notching its best daily results in more than a year.

- In economic news.** Local: Consumer Inflation Expectations
Overseas: USA Jobless Claims
- In other markets.** Treasuries fell, led by short-dated debt, oil slipped below \$US82 a barrel and gold suffered its largest one-day decline since April, falling 1.7 per cent to around \$US2,379 a tonne
- Futures.** ASX futures down 72 points or 0.9% to 7798 near 6.10am AEST

World Indices	Close	Prior	% Δ
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Local Markets	Close	Prior	% Δ
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All Ordinaries	8,118.3	8,120.2	0.0%
ASX 200	7,848.1	7,851.7	0.0%
ASX Emerging Companies	2,253.5	2,261.2	-0.3%

US Markets	Close	Prior	% Δ
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Dow Jones	39,671.1	39,873.0	-0.5%
S&P500	5,307.0	5,321.4	-0.3%
Nasdaq	18,705.2	18,713.8	0.0%
Russell 2000	2,081.7	2,098.4	-0.8%

Asian & European Markets	Close	Prior	% Δ
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Shanghai Composite	3,158.5	3,158.0	0.0%
Nikkei	38,616.9	38,915.0	-0.8%
Hang Seng	19,195.6	19,220.6	-0.1%
FTSE 100	8,370.3	8,423.5	-0.6%
DAX 30	18,680.2	18,726.8	-0.2%
CAC 40	8,092.1	8,141.5	-0.6%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	3,963.8	3,961.0	0.1%
Communication Services	297.7	298.4	-0.3%
Consumer Discretionary	1,439.2	1,451.5	-0.8%

Economic Releases	Time	F'cast	Prior
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AUS - Consumer Inflation Expectations	11:00		4.6%
CHN - FDI (YTD) YoY			
USA - Jobless Claims	22:30		

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.485	0.485	0.0%
Elementos	0.160	0.165	-3.0%
Frontier Energy	0.390	0.390	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	77.12	78.08	-1.2%
Gold	2,382	2,421	-1.6%
Gold (Aus)	3,596	3,632	-1.0%
Silver	30.95	31.98	-3.2%
Uranium (Spot)	92.75	92.75	0.0%
Global X Uranium ETF	32.00	33.12	-3.4%
Sprott Uranium Miners ETF	56.48	58.75	-3.9%
Sprott Physical Uranium Trust	21.84	22.71	-3.8%
Tin (Futures)	34,468	34,468	0.0%
Copper	4.80	5.08	-5.4%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,796.0	7,899.0	-1.3%
DXY Index	104.6	104.6	0.0%
AUD/USD	0.6624	0.6660	-0.5%
2-Year Treasury Yield (%)	4.875	4.831	4 bp
10-Year Treasury Yield (%)	4.424	4.412	1 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	12.30	11.85	3.8%