

6 May 2024

## Dow closes up 400pts as April jobs report bolsters Fed rate cut; ASX to lift

- **Global markets.** Stocks jumped sharply Friday after a softer-than-expected April jobs report boosted hopes that the Federal Reserve could start cutting interest rates soon.

The Dow Jones Industrial Average gained 450.02 points, or 1.18%, to settle at 38,675.68. The S&P 500 surged 1.26% to finish at 5,127.79 and notch its best day since February, while the Nasdaq Composite rallied 1.99% to close at 16,156.33.

All the averages capped off a winning week. The Dow and Nasdaq rose 1.14% and 1.43%, respectively, while the S&P 500 added 0.55%.

Friday's nonfarm payrolls report showed 175,000 jobs gained in April, below the 240,000 jobs expected by economists surveyed by Dow Jones. The unemployment rate edged up to 3.9%, versus 3.8% in the prior month, according to the Bureau of Labor Statistics. Wage figures also came in less than expected, an encouraging sign for inflation.

Following April's weaker-than-expected job growth and moderating wage gains, traders are pricing in a second rate cut by the end of the year. Fed funds futures trading data suggests a nearly 50% likelihood of a 25 basis point rate cut in September, according to the CME Group's FedWatch tracker of futures market pricing.

Strong quarterly reports from major Dow components also contributed to Friday's rally. Apple advanced nearly 6% after it announced a \$110 billion share repurchase and a top -and bottom-line beat.

- **In economic news.** Overseas: China PMI
- **In other markets.** Rates also dropped following the labor report, with the 10-year Treasury yield briefly falling below 4.5%. The movement benefited rate-sensitive megacap technology stocks, with Nvidia and Advanced Micro Devices advancing more than 3%. Microsoft and Meta Platforms gained 2% each, while the S&P's information technology sector surged 3%.
- **Futures.** Futures indicate the benchmark S&P/ASX 200 Index is poised to rise 0.3 per cent, or by 22 points, at the start of trade on Monday.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,897.5	7,849.4	0.6%
ASX 200	7,629.0	7,587.0	0.6%
ASX Emerging Companies	2,192.6	2,179.4	0.6%

US Markets

Dow Jones	38,675.7	38,225.7	1.2%
S&P500	5,127.8	5,064.2	1.3%
Nasdaq	17,890.8	17,541.5	2.0%
Russell 2000	2,035.7	2,016.1	1.0%

Asian & European Markets

Shanghai Composite	3,104.8	3,104.8	0.0%
Nikkei	38,236.0	38,236.0	0.0%
Hang Seng	18,475.9	18,207.1	1.5%
FTSE 100	8,213.5	8,172.1	0.5%
DAX 30	18,001.6	17,896.5	0.6%
CAC 40	7,957.6	7,914.6	0.5%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	3,734.8	3,625.7	3.0%
Communication Services	286.5	283.6	1.0%
Consumer Discretionary	1,453.3	1,443.1	0.7%

Economic Releases	Time	F'cast	Prior
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CHN - Caixin Composite PMI	11:45		
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Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.460	0.465	-1.1%
Elementos	0.160	0.170	-5.9%
Frontier Energy	0.360	0.365	-1.4%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	78.46	79.15	-0.9%
Gold	2,301	2,312	-0.5%
Gold (Aus)	3,480	3,505	-0.7%
Silver	26.62	26.65	-0.1%
Uranium (Spot)	92.00	92.00	0.0%
Global X Uranium ETF	30.83	30.55	0.9%
Sprott Uranium Miners ETF	53.95	53.60	0.7%
Sprott Physical Uranium Trust	22.78	22.97	-0.8%
Tin (Futures)	31,983	30,603	4.5%
Copper	4.57	4.50	1.6%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,666.0	7,636.0	0.4%
DXY Index	105.1	105.6	-0.5%
AUD/USD	0.6616	0.6572	0.7%
2-Year Treasury Yield (%)	4.820	4.881	-6 bp
10-Year Treasury Yield (%)	4.512	4.589	-8 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	13.48	14.67	-8.1%