

7 May 2024

Wall Street extends rally into third session by rate cut hopes; ASX to rise

Global markets. Stocks advanced Monday, with Wall Street building on the previous session's strong gains as traders lifted Federal Reserve rate cut expectations.

The Dow Jones Industrial Average climbed 176.59 points, or 0.46%, to close at 38,852.27. It was the fourth consecutive winning session for the 30-stock index. The S&P 500 advanced 1.03% to end at 5,180.74, and the Nasdaq Composite gained 1.19% to reach 16,349.25.

An announcement from Hamas on Monday that it accepted an Egyptian-Qatari cease-fire proposal to end the war with Israel gave stocks a boost in early afternoon trading.

Wall Street is coming off a winning session after fresh nonfarm payrolls data on Friday showed fewer-than-expected jobs were added in April along with an increase in unemployment, easing fears of an overheating economy.

While the peak of the first-quarter earnings season has passed, investors are still watching key companies set to report this week, including Dow member Disney on Tuesday and Uber on Wednesday. On Saturday, Warren Buffett's Berkshire Hathaway reported a nearly 40% surge in year-over-year operating earnings for the first quarter. Berkshire also held its annual shareholders meeting.

Micron gained 4.7% after Baird upgraded the stock to outperform from neutral and said it sees "meaningful opportunities ahead" for the chipmaker. American Airlines and Super Micro Computer were also among the top-performing S&P 500 stocks, gaining about 5.8% and 6.1%, respectively.

- **In economic news.** Local: First quarter retail sales at 11.30am; RBA policy statement at 2.30pm

Overseas data: German factory orders March; Euro zone retail sales March; US consumer credit March

- **In other markets.** In commodities, iron ore rose 2 per cent in Singapore, nearing \$US120 a tonne. In New York, gold gained 1 per cent and oil edged higher.
- **Futures.** ASX futures up 41 points or 0.5% to 7737 near 7am AEST

World Indices	Close	Prior	% Δ
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Local Markets			
All Ordinaries	7,952.3	7,897.5	0.7%
ASX 200	7,682.4	7,629.0	0.7%
ASX Emerging Companies	2,201.7	2,192.6	0.4%

US Markets			
Dow Jones	38,852.3	38,675.7	0.5%
S&P500	5,180.7	5,127.8	1.0%
Nasdaq	18,093.6	17,890.8	1.1%
Russell 2000	2,060.7	2,035.7	1.2%

Asian & European Markets			
Shanghai Composite	3,140.7	3,104.8	1.2%
Nikkei	38,236.0	38,236.0	0.0%
Hang Seng	18,578.3	18,475.9	0.6%
FTSE 100	8,213.5	8,213.5	0.0%
DAX 30	18,175.2	18,001.6	1.0%
CAC 40	7,996.6	7,957.6	0.5%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	3,790.2	3,734.8	1.5%
Communication Services	290.5	286.5	1.4%
Consumer Discretionary	1,468.7	1,453.3	1.1%

Economic Releases	Time	F'cast	Prior
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AUD - RBA Interest Rate Decision	14:30	4.35%	4.4%
Euro - Retail Sales YoY	19:00		

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.440	0.460	-4.3%
Elementos	0.160	0.160	0.0%
Frontier Energy	0.350	0.360	-2.8%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	78.77	78.46	0.4%
Gold	2,325	2,301	1.0%
Gold (Aus)	3,511	3,480	0.9%
Silver	27.42	26.62	3.0%
Uranium (Spot)	92.75	92.00	0.8%
Global X Uranium ETF	31.72	30.83	2.9%
Sprott Uranium Miners ETF	55.48	53.95	2.8%
Sprott Physical Uranium Trust	22.83	22.78	0.2%
Tin (Futures)	31,983	31,983	0.0%
Copper	4.60	4.57	0.7%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,734.0	7,666.0	0.9%
DXY Index	105.1	105.1	0.0%
AUD/USD	0.6622	0.6616	0.1%
2-Year Treasury Yield (%)	4.833	4.820	1 bp
10-Year Treasury Yield (%)	4.489	4.512	-2 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	13.48	13.48	0.0%