

31 May 2024

Dow falls more than 300pts as Salesforce plunges 20%; ASX to climb

Global markets. Stocks closed lower Thursday as Salesforce logged its worst day in around two decades. Traders also looked ahead to the release of key U.S. inflation data.

The Dow Jones Industrial Average slid 330.06 points, or 0.86%, to 38,111.48. The S&P 500 lost 0.6% to close at 5,235.48. The Nasdaq Composite dipped 1.08% to 16,737.08, underscoring the weakness in technology names.

Salesforce plunged 19.7% after missing revenue expectations for the fiscal first quarter and providing a weak outlook, marking its worst session since 2004. Artificial intelligence darling Nvidia also slid more than 3%, notching its first negative session following its blockbuster earnings report last week. Microsoft declined more than 3% for its worst day since October.

Thursday's moves come amid a tough, holiday-shortened trading week. The S&P 500 has slipped around 1.3%, while the Nasdaq Composite has shed 1.1%, putting both on track to snap five-week winning streaks. The Dow has tumbled more than 2%, on pace for its second straight losing week.

Traders are looking toward Friday's release of the personal consumption expenditures price index report for April, which is the Federal Reserve's preferred inflation gauge. Inflation is expected to come in at 2.7% for April, according to the Dow Jones estimate, still above the central bank's 2% target.

- **In economic news.** Local: Housing Credit MoM
Overseas: USA PCE Price Index YoY
- **In other markets.** An uptick in the 10-year Treasury yield has hurt investor sentiment this week. Higher yields can be bad news for stock investors, as they reduce the multiples traders are willing to pay for equities and make safer investments, such as Treasury bills and money market funds, more attractive. While the yield slipped back below 4.6% on Thursday, it remained above the 4.5% level, which is considered troublesome for stocks.
- **Futures.** S&P/ASX 200 futures were 0.7 per cent higher.

| World Indices | Close | Prior | % Δ |
|---------------|-------|-------|-----|
|---------------|-------|-------|-----|

| Local Markets | | | |
|------------------------|---------|---------|-------|
| All Ordinaries | 7,895.9 | 7,935.7 | -0.5% |
| ASX 200 | 7,628.2 | 7,665.6 | -0.5% |
| ASX Emerging Companies | 2,193.5 | 2,225.5 | -1.4% |

| US Markets | | | |
|--------------|----------|----------|-------|
| Dow Jones | 38,111.5 | 38,441.6 | -0.9% |
| S&P500 | 5,235.5 | 5,267.0 | -0.6% |
| Nasdaq | 18,538.7 | 18,736.8 | -1.1% |
| Russell 2000 | 2,056.6 | 2,036.2 | 1.0% |

| Asian & European Markets | | | |
|--------------------------|----------|----------|-------|
| Shanghai Composite | 3,091.7 | 3,111.0 | -0.6% |
| Nikkei | 38,054.1 | 38,556.8 | -1.3% |
| Hang Seng | 18,230.2 | 18,477.0 | -1.3% |
| FTSE 100 | 8,231.1 | 8,183.1 | 0.6% |
| DAX 30 | 18,496.8 | 18,473.3 | 0.1% |
| CAC 40 | 7,978.5 | 7,935.0 | 0.5% |

| S&P500 Sectors | Close | Prior | % Δ |
|----------------|-------|-------|-----|
|----------------|-------|-------|-----|

| | | | |
|------------------------|---------|---------|-------|
| Information Technology | 3,972.3 | 4,072.1 | -2.5% |
| Communication Services | 294.6 | 297.7 | -1.1% |
| Consumer Discretionary | 1,421.3 | 1,418.7 | 0.2% |

| Economic Releases | Time | F'cast | Prior |
|-------------------|------|--------|-------|
|-------------------|------|--------|-------|

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|-----------------------------|-------|-------|------|
| AUS - Housing Credit MoM | 11:30 | | 0.4% |
| CHN - NBS Manufacturing PMI | 11:30 | | |
| USA - PCE Price Index YoY | 22:30 | 2.70% | 2.7% |

| Key BW Names | Close | Prior | % Δ |
|--------------|-------|-------|-----|
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|-----------------|-------|-------|-------|
| Lotus Resources | 0.450 | 0.465 | -3.2% |
| Elementos | 0.130 | 0.135 | -3.7% |
| Frontier Energy | 0.420 | 0.410 | 2.4% |

| Commodities | Close | Prior | % Δ |
|-------------|-------|-------|-----|
|-------------|-------|-------|-----|

| | | | |
|-------------------------------|--------|--------|-------|
| Oil - West Texas Crude | 77.74 | 79.25 | -1.9% |
| Gold | 2,344 | 2,337 | 0.3% |
| Gold (Aus) | 3,535 | 3,537 | -0.1% |
| Silver | 31.19 | 31.95 | -2.4% |
| Uranium (Spot) | 92.75 | 92.75 | 0.0% |
| Global X Uranium ETF | 32.07 | 32.17 | -0.3% |
| Sprott Uranium Miners ETF | 56.18 | 56.38 | -0.4% |
| Sprott Physical Uranium Trust | 20.65 | 21.25 | -2.8% |
| Tin (Futures) | 34,109 | 33,928 | 0.5% |
| Copper | 4.66 | 4.77 | -2.3% |

| Other Markets | Close | Prior | % Δ |
|---------------|-------|-------|-----|
|---------------|-------|-------|-----|

| | | | |
|----------------------------|---------|---------|-------|
| SPI200 Futures | 7,705.0 | 7,640.0 | 0.9% |
| DXY Index | 105.3 | 104.6 | 0.7% |
| AUD/USD | 0.6631 | 0.6600 | 0.5% |
| 2-Year Treasury Yield (%) | 4.929 | 4.975 | -5 bp |
| 10-Year Treasury Yield (%) | 4.550 | 4.616 | -7 bp |
| US 2-10-Year Spread | -0.197 | -0.197 | 0 bp |
| VIX Index | 14.46 | 14.27 | 1.3% |

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