

10 July 2024

S&P 500 posts another record close on Powell's rate signal; ASX to drop

- Global markets.** The S&P 500 climbed to a fresh record Tuesday after Federal Reserve Chair Jerome Powell warned about the dangers of keeping interest rates high for too long.

The broad market index inched higher by 0.07% to 5,576.98 for its 36th record close of the year.

The Nasdaq Composite added 0.14% to close at 18,429.29, also ending the day at a record. Both indexes touched fresh all-time highs during the session. The Dow Jones Industrial Average ticked down 52.82 points, or 0.13%, and ended at 39,291.97.

Powell said keeping interest rates elevated for too long could risk further economic growth, seemingly hinting that the central bank is considering taking a less restrictive stance.

"Reducing policy restraint too late or too little could unduly weaken economic activity and employment," Powell said as part of his semiannual update on monetary policy. "More good data would strengthen our confidence that inflation is moving sustainably toward 2 percent."

Powell will continue testimony this week before Congress on Wednesday before the House Financial Services Committee. His remarks come ahead of key inflation data arriving later this week, with the June consumer price index due on Thursday and the producer price index on Friday.

- In economic news.** Local: RBNZ policy decision.

Overseas data: China June CPI and PPI; Norway June CPI; Jerome Powell testifies before Congress for a second day

NAB on China's price data: "CPI is seen inching up to 0.4 per cent year-over-year from 0.3 per cent. Domestic demand has been enough to keep the 5 per cent growth target alive, generating little urgency for new support measures, but is far from robust enough to generate price pressure."

- In other markets.** Oil prices fell more than 1% on Tuesday in the third straight day of declines, as Gulf Coast production and refining infrastructure appears to have avoided substantial damage from Tropical Storm Beryl.

- Futures.** ASX futures down 41 points or 0.5% to 7771 near 7am AEST

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

Local Markets

All Ordinaries	8,075.2	8,070.1	0.1%
ASX 200	7,829.7	7,822.3	0.1%
ASX Emerging Companies	2,154.5	2,170.4	-0.7%

US Markets

Dow Jones	39,292.0	39,375.9	-0.2%
S&P500	5,577.0	5,567.2	0.2%
Nasdaq	20,453.0	20,392.0	0.3%
Russell 2000	2,029.5	2,026.7	0.1%

Asian & European Markets

Shanghai Composite	2,959.4	2,949.9	0.3%
Nikkei	41,580.1	40,912.3	1.6%
Hang Seng	17,523.2	17,799.6	-1.6%
FTSE 100	8,139.8	8,203.9	-0.8%
DAX 30	18,236.2	18,475.5	-1.3%
CAC 40	7,508.7	7,675.6	-2.2%

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

Information Technology	4,542.5	4,508.1	0.8%
Communication Services	319.2	322.3	-1.0%
Consumer Discretionary	1,552.0	1,548.1	0.3%

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

JPY - PP YoY	9:50	2.90%	2.40%
CHN - Inflation Rate YoY	11:30	0.40%	0.3%
USA - Fed Chair Powell Speech	0:00		

Key BW Names	Close	Prior	% Δ
--------------	-------	-------	-----

Lotus Resources	0.335	0.330	1.5%
Elementos	0.120	0.115	4.3%
Frontier Energy	0.520	0.500	4.0%

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

Oil - West Texas Crude	81.36	83.21	-2.2%
Gold	2,364	2,385	-0.9%
Gold (Aus)	3,507	3,536	-0.8%
Silver	30.81	31.09	-0.9%
Uranium (Spot)	86.00	86.00	0.0%
Global X Uranium ETF	29.72	29.69	0.1%
Sprott Uranium Miners ETF	50.10	49.99	0.2%
Sprott Physical Uranium Trust	19.89	19.69	1.0%
Tin (Futures)	34,218	33,874	1.0%
Copper	4.58	4.64	-1.3%

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

SPI200 Futures	7,771.0	7,797.0	-0.3%
DXY Index	105.0	104.9	0.1%
AUD/USD	0.6742	0.6745	0.0%
2-Year Treasury Yield (%)	4.626	4.608	2 bp
10-Year Treasury Yield (%)	4.300	4.282	2 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	12.50	12.47	0.2%