

12 July 2024

S&P 500 suffers worst day since April on Sept. rate cut bets; ASX to rise

Global markets. U.S. stock futures were little changed Thursday night after the S&P 500 had its worst session since April, dragged lower by investors' rotation out of megacap tech stocks.

S&P 500 futures were marginally higher. Futures linked to the Dow Jones Industrial Average were up around 0.1%, while Nasdaq 100 futures traded near the flatline.

During the main trading session, the broad market index closed 0.88% lower, and the tech-heavy Nasdaq Composite lost 1.95%. Both indexes broke seven-day winning streaks and they suffered their worst day since April 30. Investors sold their Big Tech winners, pushing Nvidia lower by 5.6% and leading to a 4.1% decline for Meta Platforms. The 30-stock Dow was the outperformer among the three major averages, inching higher by 0.08%.

On a weekly basis, the Dow is also beating the other two major averages, up nearly 1%. The S&P 500 is up 0.3% through Thursday's close, while the Nasdaq is down nearly 0.4%.

Investors' move out of tech stocks on Thursday was spurred by a consumer price index report that showed a 0.1% monthly decline in June. Traders flocked to areas of the market that will benefit from Federal Reserve interest rate cuts, including small-cap stocks. Indeed, the Russell 2000 jumped about 3.6%.

On the economic front, traders will be looking toward June's producer price index results. July's preliminary consumer sentiment numbers from the University of Michigan are also due.

In economic news. Local: NZ manufacturing PMI June at 8.30am, NZ card spending June at 8.45am

Overseas data: France June CPI at 4.45pm; US PPI June at 10.30pm, University of Michigan sentiment preliminary July

- **In other markets.** The yield on the US 10-year note fell below 4.20 per cent. The probability of a rate cut at the September 17-18 meeting of Fed policymakers leapt above 90 per cent.
- **Futures.** ASX futures up 45 points or 0.6% to 7914 near 7am AEST

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	8,133.4	8,070.1	0.8%
ASX 200	7,889.6	7,822.3	0.9%
ASX Emerging Companies	2,179.0	2,170.4	0.4%

US Markets

Dow Jones	39,753.8	39,375.9	1.0%
S&P500	5,584.6	5,567.2	0.3%
Nasdaq	20,211.4	20,392.0	-0.9%
Russell 2000	2,125.0	2,026.7	4.8%

Asian & European Markets

Shanghai Composite	2,970.4	2,949.9	0.7%
Nikkei	42,224.0	40,912.3	3.2%
Hang Seng	17,832.3	17,799.6	0.2%
FTSE 100	8,223.4	8,203.9	0.2%
DAX 30	18,534.6	18,475.5	0.3%
CAC 40	7,627.1	7,675.6	-0.6%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	4,489.8	4,508.1	-0.4%
Communication Services	313.2	322.3	-2.8%
Consumer Discretionary	1,539.2	1,548.1	-0.6%

Economic Releases	Time	F'cast	Prior
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CHN - Balance of Trade	13:00		
USA - PPI MoM	22:30	0.10%	-0.2%

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.370	0.330	12.1%
Elementos	0.110	0.115	-4.3%
Frontier Energy	0.550	0.500	10.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	82.91	83.21	-0.4%
Gold	2,418	2,385	1.4%
Gold (Aus)	3,567	3,536	0.9%
Silver	31.37	31.09	0.9%
Uranium (Spot)	87.00	86.00	1.2%
Global X Uranium ETF	31.26	29.69	5.3%
Sprott Uranium Miners ETF	52.79	49.99	5.6%
Sprott Physical Uranium Trust	20.34	19.69	3.3%
Tin (Futures)	34,350	33,874	1.4%
Copper	4.51	4.64	-2.8%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,914.0	7,797.0	1.5%
DXY Index	104.5	104.9	-0.4%
AUD/USD	0.6761	0.6745	0.2%
2-Year Treasury Yield (%)	4.515	4.608	-9 bp
10-Year Treasury Yield (%)	4.214	4.282	-7 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	12.91	12.47	3.5%