

18 July 2024

Nasdaq posts worst day since 2022, Dow gains 200 points; ASX to fall

- Global markets.** The S&P 500 and Nasdaq Composite retreated on Wednesday as the rotation out of high-flying technology shares and into more rate-sensitive names continued.

The broad S&P 500 lost 1.39% to close at 5,588.27. The tech-heavy Nasdaq slid 2.77% to end at 17,996.92, posting its worst session since December 2022 and closing below 18,000 for the first time since July 1.

But the Dow Jones Industrial Average bucked the downtrend, adding 243.60 points, or 0.59%, to end at 41,198.08. That propelled the index to its first-ever close above 41,000.

Semiconductor stocks also struggled after Bloomberg News reported that the Biden administration is considering tougher trade restrictions if companies continue granting China access to U.S.-made technology.

The Russell 2000 slipped 1%, ending its five-day win streak. Still, the small cap-focused index has climbed more than 9% over the last five trading days as the market rally broadened out. Meanwhile, the Nasdaq has shed more than 3% in the same period amid the tech sell-off.

This rotation comes as traders have become more optimistic on interest rate cuts, which should benefit small caps and companies with higher financing costs. Fed funds futures trading implies a high likelihood the Federal Reserve will lower rates in September, according to the CME FedWatch tool.

- In economic news.** Local: June jobs at 11.30am. Overseas data: UK May ILO unemployment at 4pm; US weekly initial jobless claims at 10.30pm, June leading index
- In other markets.** The VIX, or Wall Street's favourite volatility metric, spiked 9.8 per cent, briefly reaching its highest in six weeks. Yet, the yield on the US 10-year note was unchanged at 4.16 per cent at 4.30pm in New York.
- Futures.** ASX futures down 46 points or 0.6% to 7983 near 7am AEST

World Indices	Close	Prior	% Δ
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Local Markets	Close	Prior	% Δ
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All Ordinaries	8,303.5	8,243.3	0.7%
ASX 200	8,057.9	7,999.3	0.7%
ASX Emerging Companies	2,189.1	2,196.6	-0.3%

US Markets	Close	Prior	% Δ
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Dow Jones	41,198.1	40,954.5	0.6%
S&P500	5,588.3	5,667.2	-1.4%
Nasdaq	19,799.1	20,398.6	-2.9%
Russell 2000	2,272.2	2,263.7	0.4%

Asian & European Markets	Close	Prior	% Δ
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Shanghai Composite	2,962.9	2,976.3	-0.5%
Nikkei	41,097.6	41,274.9	-0.4%
Hang Seng	17,739.4	17,728.0	0.1%
FTSE 100	8,187.5	8,164.9	0.3%
DAX 30	18,437.3	18,518.0	-0.4%
CAC 40	7,570.8	7,580.0	-0.1%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	4,363.6	4,532.2	-3.7%
Communication Services	303.3	309.8	-2.1%
Consumer Discretionary	1,544.3	1,572.6	-1.8%

Economic Releases	Time	F'cast	Prior
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AUS - Employment Change	11:30		
AUS - Unemployment Rate	11:30	4.00%	4.00%
ECB - Interest Rate Decision	22:15	3.75%	3.8%

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.325	0.345	-5.8%
Elementos	0.115	0.120	-4.2%
Frontier Energy	0.575	0.585	-1.7%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	81.67	80.74	1.2%
Gold	2,465	2,473	-0.3%
Gold (Aus)	3,657	3,668	-0.3%
Silver	30.37	31.24	-2.8%
Uranium (Spot)	85.00	86.00	-1.2%
Global X Uranium ETF	29.10	30.45	-4.4%
Sprott Uranium Miners ETF	47.86	50.32	-4.9%
Sprott Physical Uranium Trust	18.92	19.42	-2.6%
Tin (Futures)	33,171	33,246	-0.2%
Copper	4.41	4.45	-0.9%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,986.0	8,035.0	-0.6%
DXY Index	104.2	104.3	0.0%
AUD/USD	0.6728	0.6729	0.0%
2-Year Treasury Yield (%)	4.438	4.421	2 bp
10-Year Treasury Yield (%)	4.519	4.160	36 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	14.47	13.20	9.6%