

22 July 2024

## Dow falls more than 370pts, S&P 500 posts worst week since April; ASX to fall

- **Global markets.** Stocks retreated Friday, as Wall Street wrapped up the week defined by a rotation out of this year's megacap winners in favor of smaller names.

The S&P 500 dropped 0.71%, closing at 5,505.00. Nasdaq Composite slid 0.81% to end at 17,726.94. The Dow Jones Industrial Average fell 377.49 points, or 0.93%, to 40,287.53.

Friday's moves marked another day of declines across the board, with the Russell 2000 down 0.63%. But a shift toward names viewed as bigger beneficiaries of interest rate cuts from the Federal Reserve, like small caps, still appears to be theme of the week.

The S&P 500 and Nasdaq slipped 1.97% and 3.65%, respectively, marking their biggest weekly losses since April. The tech-heavy Nasdaq also snapped a six-week win streak. On the other hand, the Dow advanced 0.72%, while the small cap-focused Russell 2000 climbed 1.68%.

That divergence has encouraged some Wall Street pros, who had worried that the market rally was becoming too dependent on a handful of massive tech stocks. Meanwhile, rising optimism around forthcoming interest rate decreases from the Fed have bolstered smaller and more cyclically oriented names.

A shift away from megacap artificial intelligence beneficiaries can explain the Nasdaq's underperformance this week. Similarly, the information technology sector led the broad S&P 500 lower with a 5.1% drop.

CrowdStrike tumbled 11.1% following a major information technology outage that impacted business around the world. The New York Stock Exchange and Nasdaq both said trading did not appear affected.

- **In economic news.**
- **In other markets.** In commodities, gold briefly traded below \$US2400 an ounce, oil fell 3 per cent to trade below \$US83 a barrel and iron ore slid 1 per cent.
- **Futures.** Futures indicate that the benchmark S&P/ASX 200 Index is set to drop 0.8 per cent or by 67 points to 7876 at the start of trade

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	8,209.2	8,272.7	-0.8%
ASX 200	7,971.6	8,036.5	-0.8%
ASX Emerging Companies	2,161.8	2,170.5	-0.4%

<u>US Markets</u>			
Dow Jones	40,287.5	40,665.0	-0.9%
S&P500	5,505.0	5,544.6	-0.7%
Nasdaq	40,287.5	19,705.1	104.5%
Russell 2000	2,184.3	2,206.8	-1.0%

<u>Asian &amp; European Markets</u>			
Shanghai Composite	2,982.3	2,977.1	0.2%
Nikkei	40,063.7	40,126.1	-0.2%
Hang Seng	17,417.7	17,417.7	0.0%
FTSE 100	8,155.7	8,204.9	-0.6%
DAX 30	18,171.9	18,352.3	-1.0%
CAC 40	7,534.5	7,586.6	-0.7%

S&P500 Sectors	Close	Prior	% Δ
Information Technology	4,298.4	4,353.8	-1.3%
Communication Services	301.9	302.5	-0.2%
Consumer Discretionary	1,512.3	1,524.6	-0.8%

Economic Releases	Time	F'cast	Prior
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Key BW Names	Close	Prior	% Δ
Lotus Resources	0.305	0.310	-1.6%
Elementos	0.120	0.115	4.3%
Frontier Energy	0.555	0.580	-4.3%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	79.00	80.78	-2.2%
Gold	2,411	2,444	-1.4%
Gold (Aus)	3,599	3,646	-1.3%
Silver	29.40	29.80	-1.3%
Uranium (Spot)	85.00	85.00	0.0%
Global X Uranium ETF	28.20	28.40	-0.7%
Sprott Uranium Miners ETF	46.94	46.98	-0.1%
Sprott Physical Uranium Trust	18.23	18.18	0.3%
Tin (Futures)	31,050	32,950	-5.8%
Copper	4.26	4.26	-0.1%

Other Markets	Close	Prior	% Δ
SPI200 Futures	7,876.0	7,930.0	-0.7%
DX Index	104.4	103.7	0.6%
AUD/USD	0.6700	0.6704	-0.1%
2-Year Treasury Yield (%)	4.517	4.471	5 bp
10-Year Treasury Yield (%)	4.241	4.202	4 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	16.51	15.92	3.7%