

1 August 2024

Dow closes nearly 500 points lower overnight on recession fears; ASX to fall

- **Global markets.** Stocks sold off Thursday, with the Dow Jones Industrial Average tumbling nearly 500 points, as investors' fears over a recession surfaced.

The Dow dropped 494.82 points, or 1.21%, to end at 40,347.97. At its session lows, the 30-stock index lost 744.22 points, or about 1.8%. The S&P 500 shed 1.37% to end at 5,446.68, while the Nasdaq Composite slipped 2.3% to 17,194.15. The Russell 2000 index, the small-cap benchmark that has rallied lately, dropped 3%.

Some fresh data stoked fears over a possible recession and the notion that the Federal Reserve could be too late to start cutting interest rates. Initial jobless claims rose the most since August 2023. The ISM manufacturing index, a barometer of factory activity in the U.S., came in at 46.8%, worse than expected and a signal of economic contraction. After these releases, the 10-year Treasury yield dropped below 4% for the first time since February.

These weak data releases come a day after central bank policymakers chose to keep rates at the highest levels in two decades, when Fed Chair Jerome Powell gave investors some hope by signaling a September rate cut is on the table.

Stocks that would suffer the most under a recession were among notable losers during the day's trading session, including JPMorgan Chase, which lost 2.3%, and Boeing, which fell more than 6%.

- **In economic news.** Local: Home Loans
Overseas data: USA Non Farm Payrolls and Unemployment Rate
- **In other markets.** Oil futures gave back earlier gains overnight, as global supply seemed largely unaffected by worries of a broadening Middle East crisis after the killing of a Hamas leader in Iran. Brent crude futures ended 1.6 per cent lower at \$US79.52 a barrel, while US West Texas Intermediate crude dropped 2.1 per cent to \$US76.31.
- **Futures.** ASX futures were down 144 points or 1.78 per cent to 7925 overnight.

World Indices	Close	Prior	% Δ
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Local Markets			
All Ordinaries	8,343.8	8,176.6	2.0%
ASX 200	8,114.7	7,953.2	2.0%
ASX Emerging Companies	2,134.1	2,122.7	0.5%

US Markets			
Dow Jones	40,348.0	40,743.3	-1.0%
S&P500	5,446.7	5,436.5	0.2%
Nasdaq	18,890.4	18,796.3	0.5%
Russell 2000	2,186.1	2,243.1	-2.5%

Asian & European Markets			
Shanghai Composite	2,932.4	2,891.9	1.4%
Nikkei	38,126.3	38,468.4	-0.9%
Hang Seng	17,305.0	17,238.4	0.4%
FTSE 100	8,283.4	8,292.3	-0.1%
DAX 30	18,069.6	18,320.7	-1.4%
CAC 40	7,370.5	7,443.9	-1.0%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	4,106.3	4,087.5	0.5%
Communication Services	300.0	293.5	2.2%
Consumer Discretionary	1,482.4	1,489.9	-0.5%

Economic Releases	Time	F'cast	Prior
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AUS - Home Loans MoM	11:30	-1.00%	-2.00%
USA - Non Farm Payrolls	22:30		
USA - Unemployment Rate	22:30	4.10%	4.1%

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.255	0.260	-1.9%
Elementos	0.098	0.105	-6.7%
Frontier Energy	0.460	0.435	5.7%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	76.76	75.18	2.1%
Gold	2,490	2,409	3.4%
Gold (Aus)	3,765	3,684	2.2%
Silver	28.53	28.34	0.7%
Uranium (Spot)	84.50	87.00	-2.9%
Global X Uranium ETF	26.15	27.28	-4.1%
Sprott Uranium Miners ETF	43.09	45.20	-4.7%
Sprott Physical Uranium Trust	18.03	17.92	0.6%
Tin (Futures)	30,056	29,296	2.6%
Copper	4.07	4.09	-0.5%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,925.0	7,943.0	-0.2%
DXY Index	104.0	104.6	-0.5%
AUD/USD	0.6497	0.6541	-0.7%
2-Year Treasury Yield (%)	4.156	4.361	-21 bp
10-Year Treasury Yield (%)	3.982	4.139	-16 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	18.58	17.68	5.1%