

15 August 2024

## S&P 500 closes higher for the 5<sup>th</sup> straight day on easing inflation; ASX to rise

- **Global markets.** The Dow Jones Industrial Average ticked up Wednesday after the release of more encouraging U.S. inflation data.

The 30-stock Dow climbed 242 points, or 0.61%, to end the day at 40,008.39. The S&P 500 inched up 0.38% to close at 5,455.21, and marked its fifth straight winning day. The Nasdaq Composite shook off earlier losses to close higher by just 0.03% at 17,192.60.

Consumer prices increased 2.9% year-over-year, down from 3% in June and the lowest reading since March 2021, the Bureau of Labor Statistics said on Wednesday. Month-over-month, prices ticked up 0.2%. Economists polled by Dow Jones expected a 0.2% increase from the prior month and a 3% gain year-over-year.

So-called core inflation, which strips out food and energy from the headline number, advanced 0.2% on the month, also in line with expectations.

The report comes a day after lighter-than-expected wholesale inflation figures gave stocks a boost. The Dow rose about 1%. The S&P 500 climbed 1.7%, while the Nasdaq gained 2.4%.

Investors had been looking toward the CPI reading to get a full-plated picture of the state of the economy, and to further solidify the prospect of an interest rate cut at the central bank's September meeting.

All three major averages are now above their Aug. 2 closing level, which was the session before the global market sell-off on Aug. 5 that appeared to be related to an unwind of the yen carry trade and concerns about economic growth.

- **In economic news.** On the local data front, all eyes will be on the July jobs report at 11.30am.
- **In other markets.** Oil fell after a government report showed a surprising build for US crude stockpiles, while iron ore fell 2.4 per cent to \$US96.20 a tonne as Chinese steelmaker Baowu warned of a "long and harsh winter" ahead for the steel industry.
- **Futures.** Futures for the ASX 200 were up 0.4 per cent

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

### Local Markets

|                        |         |         |      |
|------------------------|---------|---------|------|
| All Ordinaries         | 8,070.2 | 8,042.2 | 0.3% |
| ASX 200                | 7,850.7 | 7,826.8 | 0.3% |
| ASX Emerging Companies | 2,051.5 | 2,028.8 | 1.1% |

### US Markets

|              |          |          |       |
|--------------|----------|----------|-------|
| Dow Jones    | 40,008.4 | 39,765.7 | 0.6%  |
| S&P500       | 5,455.2  | 5,434.4  | 0.4%  |
| Nasdaq       | 19,022.7 | 19,006.4 | 0.1%  |
| Russell 2000 | 2,084.3  | 2,095.2  | -0.5% |

### Asian & European Markets

|                    |          |          |       |
|--------------------|----------|----------|-------|
| Shanghai Composite | 2,850.7  | 2,868.0  | -0.6% |
| Nikkei             | 36,442.4 | 36,232.4 | 0.6%  |
| Hang Seng          | 17,113.4 | 17,174.1 | -0.4% |
| FTSE 100           | 8,281.1  | 8,235.2  | 0.6%  |
| DAX 30             | 17,885.6 | 17,812.1 | 0.4%  |
| CAC 40             | 7,333.4  | 7,275.9  | 0.8%  |

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

|                        |         |         |       |
|------------------------|---------|---------|-------|
| Information Technology | 4,199.1 | 4,173.7 | 0.6%  |
| Communication Services | 296.3   | 299.0   | -0.9% |
| Consumer Discretionary | 1,422.6 | 1,428.4 | -0.4% |

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

|                                       |       |       |       |
|---------------------------------------|-------|-------|-------|
| AUS - Consumer Inflation Expectations | 11:00 |       | 4.00% |
| USA - Retail Sales MoM                | 22:30 | 0.30% | 0.00% |

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

|                 |       |       |      |
|-----------------|-------|-------|------|
| Lotus Resources | 0.240 | 0.240 | 0.0% |
| Elementos       | 0.095 | 0.094 | 1.1% |
| Frontier Energy | 0.440 | 0.440 | 0.0% |

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

|                               |        |        |       |
|-------------------------------|--------|--------|-------|
| Oil - West Texas Crude        | 77.33  | 78.74  | -1.8% |
| Gold                          | 2,485  | 2,504  | -0.8% |
| Gold (Aus)                    | 3,708  | 3,714  | -0.2% |
| Silver                        | 27.58  | 27.86  | -1.0% |
| Uranium (Spot)                | 83.00  | 83.00  | 0.0%  |
| Global X Uranium ETF          | 25.15  | 25.03  | 0.5%  |
| Sprott Uranium Miners ETF     | 41.08  | 40.76  | 0.8%  |
| Sprott Physical Uranium Trust | 17.76  | 18.12  | -2.0% |
| Tin (Futures)                 | 31,568 | 31,568 | 0.0%  |
| Copper                        | 4.04   | 4.05   | -0.3% |

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

|                            |          |          |        |
|----------------------------|----------|----------|--------|
| SPI200 Futures             | 7,832.00 | 7,827.00 | 0.1%   |
| DXY Index                  | 102.6    | 103.1    | -0.5%  |
| AUD/USD                    | 0.6600   | 0.6637   | -0.6%  |
| 2-Year Treasury Yield (%)  | 3.96     | 3.94     | 2 bp   |
| 10-Year Treasury Yield (%) | 3.84     | 3.85     | -1 bp  |
| US 2-10-Year Spread        | -0.12    | -0.09    | -3 bp  |
| VIX Index                  | 16.20    | 18.11    | -10.5% |