

16 August 2024

Stocks close higher as comeback rally gains steam; ASX to rise

- **Global markets.** Stocks rallied on Thursday as investors regained confidence in the economy following encouraging consumer and labor data that helped ease recession worries.

The Dow Jones Industrial Average leaped 554 points, or 1.39%, to end the day at 40,563.06. The S&P 500 closed up 1.61% at 5,543.22, for its sixth straight gain. The broad market index has advanced roughly 8% from its intraday bottom on Aug. 5. The Nasdaq Composite jumped 2.34% to 17,594.50.

Retail sales increased 1% in July, far surpassing an estimate from Dow Jones that forecast a 0.3% uptick. Also separately, weekly jobless claims fell for the week. The data served as a boon to investors and a broader market trying to mount a comeback from an August rout tied to concerns about a slowing economy that arose following July's disappointing jobs report on Aug. 2.

After a more than 3% gain this week, the S&P 500 is now roughly 2% below its record. The three major U.S. indexes are now trading above their Aug. 2 closing level, which was the session before the global stock market rout on Aug. 5 that was largely driven by investors' concerns about an economic slowdown and an unwinding of a popular hedge fund currency trade.

Stocks climbed on Wednesday after the consumer price index reflected a slowing annual inflation rate of 2.9%, the lowest since 2021. That data — coupled with a key measure of wholesale inflation released Tuesday that rose less than expected — has reassured investors that an economic soft landing is back on the table and that the Federal Reserve will likely lower interest rates at the central bank's September meeting.

- **In economic news.**
- **In other markets.** Commodities including gold and copper gained, the Australian dollar rose to buy \$US66.2¢.
- **Futures.** Australian shares are set to open +77 points

| World Indices | Close | Prior | % Δ |
|------------------------|---------|---------|-------|
| <u>Local Markets</u> | | | |
| All Ordinaries | 8,083.8 | 8,070.2 | 0.2% |
| ASX 200 | 7,865.5 | 7,850.7 | 0.2% |
| ASX Emerging Companies | 2,048.4 | 2,051.5 | -0.2% |

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|-------------------|----------|----------|------|
| <u>US Markets</u> | | | |
| Dow Jones | 40,563.1 | 40,008.4 | 1.4% |
| S&P500 | 5,543.2 | 5,455.2 | 1.6% |
| Nasdaq | 19,490.2 | 19,022.7 | 2.5% |
| Russell 2000 | 2,135.5 | 2,084.3 | 2.5% |

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|-------------------------------------|----------|----------|------|
| <u>Asian & European Markets</u> | | | |
| Shanghai Composite | 2,877.4 | 2,850.7 | 0.9% |
| Nikkei | 36,726.6 | 36,442.4 | 0.8% |
| Hang Seng | 17,109.2 | 17,113.4 | 0.0% |
| FTSE 100 | 8,347.4 | 8,281.1 | 0.8% |
| DAX 30 | 18,183.3 | 17,885.6 | 1.7% |
| CAC 40 | 7,423.4 | 7,333.4 | 1.2% |

| S&P500 Sectors | Close | Prior | % Δ |
|------------------------|---------|---------|------|
| Information Technology | 4,305.7 | 4,199.1 | 2.5% |
| Communication Services | 298.9 | 296.3 | 0.9% |
| Consumer Discretionary | 1,470.6 | 1,422.6 | 3.4% |

| Economic Releases | Time | F'cast | Prior |
|------------------------|-------|--------|-------|
| USA - Building Permits | 22:30 | | |

| Key BW Names | Close | Prior | % Δ |
|-----------------|-------|-------|------|
| Lotus Resources | 0.250 | 0.240 | 4.2% |
| Elementos | 0.095 | 0.095 | 0.0% |
| Frontier Energy | 0.450 | 0.440 | 2.3% |

| Commodities | Close | Prior | % Δ |
|-------------------------------|--------|--------|-------|
| Oil - West Texas Crude | 78.05 | 77.33 | 0.9% |
| Gold | 2,493 | 2,485 | 0.3% |
| Gold (Aus) | 3,714 | 3,708 | 0.2% |
| Silver | 28.36 | 27.58 | 2.8% |
| Uranium (Spot) | 83.00 | 83.00 | 0.0% |
| Global X Uranium ETF | 25.51 | 25.15 | 1.4% |
| Sprott Uranium Miners ETF | 41.59 | 41.08 | 1.2% |
| Sprott Physical Uranium Trust | 17.42 | 17.76 | -1.9% |
| Tin (Futures) | 31,430 | 31,568 | -0.4% |
| Copper | 4.13 | 4.04 | 2.3% |

| Other Markets | Close | Prior | % Δ |
|----------------------------|----------|----------|-------|
| SPI200 Futures | 7,888.00 | 7,832.00 | 0.7% |
| DX-Y Index | 102.6 | 102.6 | 0.0% |
| AUD/USD | 0.6609 | 0.6600 | 0.1% |
| 2-Year Treasury Yield (%) | 4.10 | 3.96 | 14 bp |
| 10-Year Treasury Yield (%) | 3.92 | 3.84 | 8 bp |
| US 2-10-Year Spread | -0.18 | -0.12 | -6 bp |
| VIX Index | 15.22 | 16.20 | -6.0% |