

23 August 2024

## Stocks close lower, Nasdaq -1% as yields rise on Powell's speech; ASX to slip

- Global markets.** The S&P 500 pulled back on Thursday as investors readied for a speech by Federal Reserve Chair Jerome Powell at the central bank's annual Jackson Hole conference.

The broad index slipped 0.89% to close at 5,570.64. The Dow Jones Industrial Average ended down 177.71 points, or 0.43%, at 40,712.78. The Nasdaq Composite shed 1.67% to close at 17,619.35 as technology stocks felt the brunt of Thursday's declines.

Thursday's action comes as market participants turn attention to Powell's speech at the Jackson Hole Economic Symposium on Friday, hoping for further insight into rate policy. Traders are unanimous in expecting a decrease in borrowing costs next month, per the CME Group's FedWatch Tool, but are divided over whether the reduction will be a quarter or half a percentage point.

That will follow minutes from the Fed's July gathering released Wednesday. They indicated that most participants at the central bank's meeting said it would "likely" be appropriate to lower the fed funds rate from the current range of 5.25% to 5.5% at the September meeting — if data continues to come in as expected.

In corporate news, software company Snowflake dropped 14.7% as rising costs hit its operating margins. Despite this, the company beat quarterly expectations and slightly raised its full-year product revenue forecast. Urban Outfitters slid 9.6% after disappointing second-quarter same-store sales growth.

- In economic news.** Local: NZ second quarter retail sales volumes at 8.45am
- Overseas data: Japan July CPI at 9.30am; Eurozone CPI expectations at 6pm; Fed chairman Jerome Powell speaks at midnight (12am AEST Saturday) at the Jackson Hole, Wyoming gathering
- In other markets.** The 10-year U.S. Treasury yield climbed nearly 9 basis points to 3.863%.
- Futures.** ASX futures down 43 points or 0.5% to 7948 near 7am AEST

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	8,258.1	8,234.0	0.3%
ASX 200	8,027.0	8,010.5	0.2%
ASX Emerging Companies	2,142.1	2,130.1	0.6%

<u>US Markets</u>			
Dow Jones	40,712.8	40,890.5	-0.4%
S&P500	5,570.7	5,620.8	-0.9%
Nasdaq	19,491.8	19,824.8	-1.7%
Russell 2000	2,150.1	2,170.6	-0.9%

<u>Asian &amp; European Markets</u>			
Shanghai Composite	2,848.8	2,856.6	-0.3%
Nikkei	38,210.9	37,951.7	0.7%
Hang Seng	17,641.0	17,391.0	1.4%
FTSE 100	8,287.9	8,283.4	0.1%
DAX 30	18,493.4	18,449.0	0.2%
CAC 40	7,524.1	7,524.7	0.0%

S&P500 Sectors	Close	Prior	% Δ
Information Technology	4,291.7	4,385.3	-2.1%
Communication Services	301.6	304.4	-0.9%
Consumer Discretionary	1,478.4	1,506.6	-1.9%

Economic Releases	Time	F'cast	Prior
BoJ - Inflation Rate YoY	9:30		2.80%

Key BW Names	Close	Prior	% Δ
Lotus Resources	0.220	0.235	-6.4%
Elementos	0.091	0.088	3.4%
Frontier Energy	0.480	0.480	0.0%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	7,305.00	71.88	10062.8%
Gold	2,520	2,550	-1.2%
Gold (Aus)	3,707	3,723	-0.4%
Silver	28.99	29.62	-2.1%
Uranium (Spot)	83.00	83.00	0.0%
Global X Uranium ETF	25.09	25.73	-2.5%
Sprott Uranium Miners ETF	40.11	41.12	-2.5%
Sprott Physical Uranium Trust	17.75	17.33	2.4%
Tin (Futures)	32,276	32,276	0.0%
Copper	4.14	4.20	-1.5%

Other Markets	Close	Prior	% Δ
SPI200 Futures	7,948.00	7,993.00	-0.6%
DXI Index	101.1	101.4	-0.2%
AUD/USD	0.6705	0.6752	-0.7%
2-Year Treasury Yield (%)	4.01	3.94	8 bp
10-Year Treasury Yield (%)	3.86	3.80	6 bp
US 2-10-Year Spread	-0.16	-0.14	-2 bp
VIX Index	17.54	16.26	7.9%