

26 August 2024

## Dow closes up 450 points higher as Powell signals Fed rate cuts; ASX to rise

- Global markets.** Stocks rose Friday after Federal Reserve Chair Jerome Powell indicated interest rate cuts were on the horizon.

The Dow Jones Industrial Average climbed 462.30 points, or 1.14%, to 41,175.08. The Nasdaq Composite advanced 1.47% to 17,877.79. The S&P 500 gained 1.15% to finish at 5,634.61, back within striking distance of all-time highs set last month.

With Friday's gains, the three major averages also posted a winning week. The Dow surged nearly 1.3%, and the Nasdaq added 1.4%. The S&P 500 rose 1.45% for the period.

Stocks took a leg up Friday morning after Powell signaled decreases to interest rates ahead during his speech in Jackson Hole, Wyoming. But Powell did not provide specific information on when, or by how big any cuts to the borrowing cost would be.

That pleased traders, who are unanimous in betting on a rate cut at the September meeting, according to the CME Group's FedWatch Tool. But there is less consensus over how big that decrease will be.

Technology stocks rallied with particular strength as investors grew hopeful that a lower-rate environment would benefit this group.

Notably, Tesla and Nvidia jumped more than 4% each.

Small-cap stocks also gained on this outlook, with the Russell 2000 advancing more than 3%.

- In reporting news.** Monday's reporting schedule includes: Adore Beauty (ABY) | Bendigo and Adelaide Bank (BEN) | Aussie Broadband (ABB) | Endeavour (EDV) | NIB (NHF) | Tyro (TYR) | Viva Energy Group (VEA) | Dalrymple Bay Infrastructure (DBI) | Infomedia (IFM) | Star Entertainment Group (SGR)
- In other markets.** The Australian dollar rallied near US68¢ as the greenback slumped.
- Futures.** ASX futures are up 41 points or 0.5 per cent to 8025 near 7am

World Indices	Close	Prior	% Δ
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### Local Markets

All Ordinaries	8,249.1	8,258.1	-0.1%
ASX 200	8,023.9	8,027.0	0.0%
ASX Emerging Companies	2,136.1	2,142.1	-0.3%

### US Markets

Dow Jones	41,175.1	40,712.8	1.1%
S&P500	5,634.6	5,570.7	1.1%
Nasdaq	19,720.9	19,491.8	1.2%
Russell 2000	2,218.7	2,150.1	3.2%

### Asian & European Markets

Shanghai Composite	2,854.4	2,848.8	0.2%
Nikkei	38,364.2	38,210.9	0.4%
Hang Seng	17,612.1	17,641.0	-0.2%
FTSE 100	8,327.7	8,287.9	0.5%
DAX 30	18,633.1	18,493.4	0.8%
CAC 40	7,577.1	7,524.1	0.7%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	4,363.0	4,291.7	1.7%
Communication Services	303.1	301.6	0.5%
Consumer Discretionary	1,503.6	1,478.4	1.7%

Economic Releases	Time	F'cast	Prior
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USA - Durable Goods Orders MoM	22:30	4.00%	-6.60%
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Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.220	0.220	0.0%
Elementos	0.085	0.091	-6.6%
Frontier Energy	0.455	0.480	-5.2%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	75.16	71.88	4.6%
Gold	2,548	2,520	1.1%
Gold (Aus)	3,703	3,707	-0.1%
Silver	29.82	28.99	2.9%
Uranium (Spot)	83.00	83.00	0.0%
Global X Uranium ETF	26.81	25.09	6.9%
Sprott Uranium Miners ETF	43.32	40.11	8.0%
Sprott Physical Uranium Trust	18.73	17.75	5.5%
Tin (Futures)	32,912	32,276	2.0%
Copper	4.19	4.14	1.2%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	8,025.00	7,948.00	1.0%
DX Index	100.7	101.1	-0.5%
AUD/USD	0.6787	0.6705	1.2%
2-Year Treasury Yield (%)	3.92	4.01	-9 bp
10-Year Treasury Yield (%)	3.80	3.86	-6 bp
US 2-10-Year Spread	-0.12	-0.16	4 bp
VIX Index	15.85	17.54	-9.6%