

31 July 2024

S&P 500, Nasdaq lower as investors dump tech before earnings; ASX to fall

- Global markets.** The S&P 500 fell Tuesday, dragged lower by declines in megacap tech stocks, as investors braced for quarterly reports from names in that cohort. Traders also set their eyes on Washington as the Federal Reserve began its latest policy meeting.

The broad market index lost 0.5% and ended the day at 5,436.44, while the Nasdaq Composite tumbled 1.28% to close at 17,147.42. The Dow Jones Industrial Average climbed 203.40 points, or 0.5%, to 40,743.33.

Nvidia shares pulled back by 7%, while Microsoft shed about 0.9%. Tech-related giants Amazon, Netflix and Meta Platforms also declined.

It is a big earnings week for megacap tech names. Microsoft is set to report after the bell Tuesday. Meta, Amazon and Apple are on deck for later this week.

The earnings season has been a solid one thus far. Of the 240 S&P 500 names that have reported, about 80% have beaten earnings expectations, according to data from FactSet.

Mahajan added that the soft landing narrative remains intact, in her view, and that a potential rate cut from central bankers coupled with moderating inflation could lend to a strong backdrop for a continued broadening of the market as traders look to areas outside of megacap technology.

- In economic news. Local:** Building approvals June at 11.30am
- Overseas data:** Japan jobless rate; Second-quarter GDP data for France, German and Eurozone; German July CPI at 10pm; US June JOLTS and Conference Board July consumer confidence
- In other markets.** The Australian dollar fell overnight to trade near its lowest level in three months at US65.40¢. West Texas Intermediate settled below \$US75 a barrel at the lowest closing price since June 5. Technical measures including the relative strength index are signalling that the selloff may be overdone after trend-following algorithms exacerbated losses in recent sessions.
- Futures.** ASX futures were up 28 points, or 0.4 per cent near 7am AEST

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	8,176.6	8,224.3	-0.6%
ASX 200	7,953.2	7,989.6	-0.5%
ASX Emerging Companies	2,122.7	2,137.1	-0.7%

US Markets

Dow Jones	40,743.3	40,539.9	0.5%
S&P500	5,436.5	5,463.6	-0.5%
Nasdaq	18,796.3	19,059.5	-1.4%
Russell 2000	2,243.1	2,235.3	0.3%

Asian & European Markets

Shanghai Composite	2,891.9	2,891.9	0.0%
Nikkei	38,468.4	38,468.4	0.0%
Hang Seng	17,238.4	17,238.4	0.0%
FTSE 100	8,292.3	8,292.3	0.0%
DAX 30	18,320.7	18,320.7	0.0%
CAC 40	7,443.9	7,443.9	0.0%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	4,087.5	4,179.4	-2.2%
Communication Services	293.5	293.0	0.2%
Consumer Discretionary	1,489.9	1,498.2	-0.5%

Economic Releases	Time	F'cast	Prior
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AUS - Inflation Rate YoY	11:30	3.80%	3.60%
CHN - NBS Manufacturing PMI	11:30		
USA - Fed Interest Rate Decision	4:00	5.50%	5.5%

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.260	0.260	0.0%
Elementos	0.105	0.105	0.0%
Frontier Energy	0.435	0.485	-10.3%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	75.18	75.68	-0.7%
Gold	2,409	2,383	1.1%
Gold (Aus)	3,684	3,635	1.3%
Silver	28.34	27.87	1.7%
Uranium (Spot)	82.75	82.75	0.0%
Global X Uranium ETF	27.28	27.05	0.9%
Sprott Uranium Miners ETF	45.20	44.61	1.3%
Sprott Physical Uranium Trust	17.92	17.83	0.5%
Tin (Futures)	29,296	29,571	-0.9%
Copper	4.09	4.09	0.1%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,943.0	7,900.0	0.5%
DXY Index	104.6	104.3	0.2%
AUD/USD	0.6541	0.6555	-0.2%
2-Year Treasury Yield (%)	4.361	4.402	-4 bp
10-Year Treasury Yield (%)	4.139	4.172	-3 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	17.68	16.59	6.6%